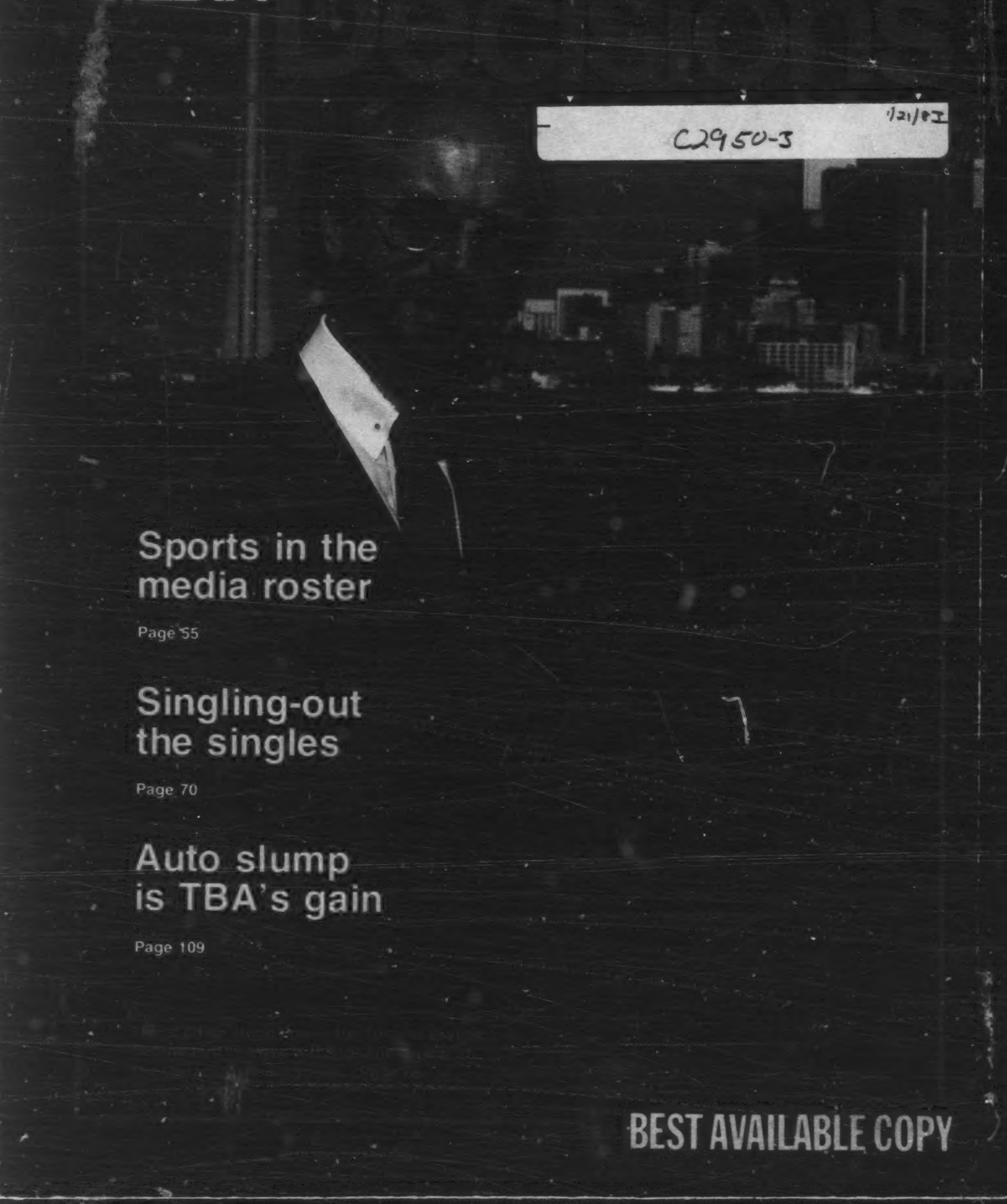
# MARKETING & MEDIA



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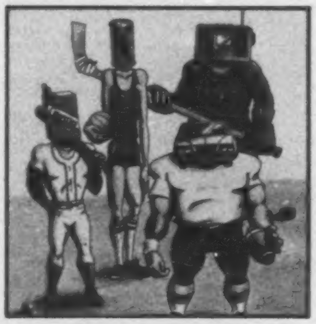

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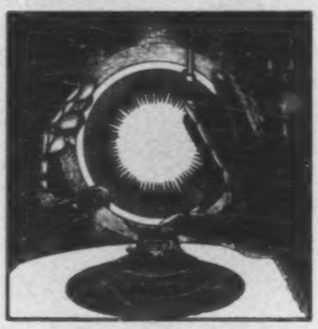

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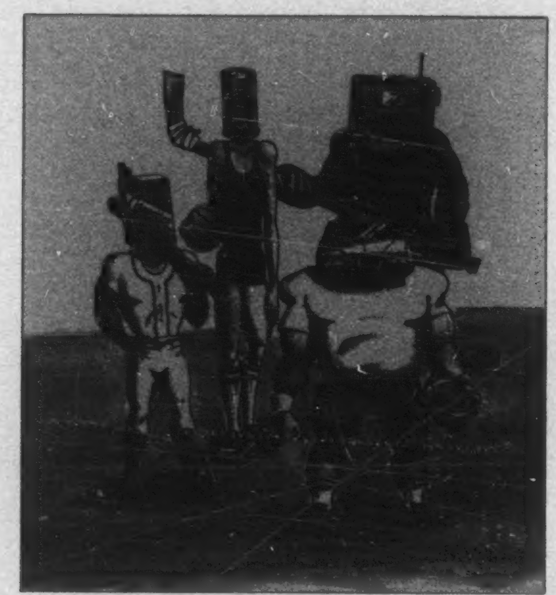

# How media recruit the sports fans

**Sports is a medium in itself, a means of reaching an audience that contains an unusual proportion of males no matter what the carrier: magazines, newspapers, tv, radio or cable. This report highspots the multitude of sports media available and how major advertisers are making use of them.**

Many admen view sports as a medium in itself. In sports events, sports magazines, the sports sections of newspapers, sports play-by-play and specials on tv and radio, the message is the medium. And the message not only selects a unique audience (skewed upscale and to men) but also creates a very special environment for selling.

It would probably take the whole of every issue of this magazine for a year to describe all the ways advertisers use sports and how the media capitalize on sports as a magnet for readers, viewers

PRIME TIME NETWORK TELEVISION SCHEDULE

**Dave Martin,** Campbell-Ewald's director of broadcast media, has so many male oriented accounts that he uses a lot of sportscasts.

and listeners. In this report we will high-spot some of the multitude of sports media available—with apologies to those not accorded a specific mention.

### In newspapers, sports are forever

Newspaper sports sections have been available for so long that they are almost taken for granted by advertisers seeking to reach a predominantly male audience. The newspapers have both the permanence of print and fast-closings to offer advertisers who want to capitalize on the excitement and immediacy of sports events.

The Newspaper Advertising Bureau has a basic presentation designed to show more advertisers how to increase the impact of ads in the large sports sections of practically all dailies.

Key points made by the Bureau are that ads in sports sections will be most memorable when they tie-in on sports events in the news.

The Bureau's prize example of how this can be done is a Volkswagen page congratulating the winner of a marathon race that was the big news in the editorial pages of the papers the day after the race. Copy for the ad was publication set by papers on the list in advance of the race—excepting the name of the winner. The name was dubbed in by the papers as they went to press after the race—and a large news photo of the winner breasting the tape at the finish line likewise was added. Result: great timeliness and impact.

The Camel Scoreboard that was initiated by R.J. Reynolds last year is another example of the awakening of advertiser interest in newspaper sports reporting. Camel designed its Scoreboard, putting an advertising border around the newspapers collection of sports scores.

This sparked a media-wide discussion as to whether newspapers should allow an advertiser to "sponsor" their editorial content. Of the big metropolitan newspapers, only the New York *Post* and the three Dallas-Ft. Worth newspapers accepted. When Reynolds discovered that the Texas papers weren't including all their scores in the Scoreboard, they were dropped. At present some 70 newspapers are running Camel's Scoreboard. Reynolds plans to expand the list to 125 newspapers in 1983.

The Newspaper Advertising Bureau pulled a special report on the Readership of Newspaper Sections out of the 1981 Simmons Study of Media and Markets and found significant readership of the sports sections. It found that "newspaper pages or sections are usually read" by 81% of all adults—88% of men and 74% of women. Age level of adult readers peaks at 45-54 years of age. Heaviest readers are adults with one to three years of college education (90% in the case of males with some college).

The variation of sports readership by household income is not great. It peaks at 89% among males with HH income of $15,000 to $24,999, but the figure holds at 88% among males with HH income of $35,000 and over.

By occupation, highest readership of newspaper sports is among professional/managerial and craftsmen/foremen males and professional/managerial women.

The skew to male readership is clear, but that 74% readership by women should not be overlooked. The newspapers have a strong dual audience to sell, with peaks in readership in such sections as sports.

NAB also published an exhaustive report on the "Two Dimensions of News" in January 1978 that included interesting findings on sports. It reported that newspapers devote 14% of their articles (75-line and over stories) to sports. It found that 52% of readers were either *intensely* interested or *very interested* in sports.

According to this report men were about twice as interested as women in newspaper sports coverage—non-whites about 22% more interested than whites. The demographics of heaviest sports readers were: frequent readers, male, non-white, age 18-44, high-school graduates.

The newspapers themselves feel the popularity of sports in increased newsstand sales at the time of such popular events as marathons, big fights, baseball's world series and—when the players are not on strike—football bowl games. Not surprisingly, big users of the sports pages are cigarette, liquor, automotive advertisers for their male-oriented cars, TBA advertisers (like Ford's Motorcraft), sports cable networks. Recently, advertisers of more general merchandise have been moving into the sports sections of newspapers. The NAB's example is Timberland boots, with full pages advertising the high quality of their waterproof shoes price-tagged at $70 and over.

**Fred Botwinic,** who heads up Katz Sports, is trying to beat escalating sports costs by new tv programing techniques and syndication strategies.

Most recent bid for advertising in newspaper sports comes from the new national newspaper, U.S.A. Today. It claims extra readership of its sports because it doesn't go to press until 3 a.m. and can include late sports scores from even the West Coast.

### Sports magazines—mass and special interest

Sports magazines are a giant category. As a matter of fact, some advertisers say it includes several categories in SRDS—like outdoor books, car buff books, boating, as well as general and specific sports. Obviously we can not cover them all here.

Many of the magazines zero-in on a special sports interest, but some have such large audiences that advertisers buy them for their mass coverage, although skewed somewhat to male audiences with keen interest in personal or spectator sports. Twenty five of them are assessed for their total audience coverage in the MRI Fall 1982 total audience counts.

In addition, quite a few of the sports books that are assessed individually for total audience are included in network buys for which combined figures are shown in the column at the right.

Here's how they rank in total audience in the most recent MRI:

| | *Total audience* |
|---|---|
| Sports Illustrated | 15,716,000 |
| Field & Stream | 13,871,000 |
| Outdoor Life | 8,353,000 |
| Sports Afield | 7,285,000 |
| Sport | 5,578,000 |
| Inside Sports | 4,981,000 |
| Hot Rod | 4,839,000 |
| Guns & Ammo | 4,721,000 |
| Motor Trend | 3,845,000 |
| Road & Track | 3,475,000 |
| Car & Driver | 3,373,000 |
| Golf Digest | 3,301,000 |
| Cycle World | 2,737,000 |
| Golf Magazine | 2,665,000 |
| The Sporting News | 2,492,000 |
| Hunting | 2,467,000 |
| Ski | 2,460,000 |
| 4 Wheel & Off Road | 2,379,000 |
| Runner's World | 2,220,000 |
| Popular Hot Rodding* | 2,195,000 |
| Car Craft | 2,039,000 |
| Pickup Van & WD | 1,886,000 |
| Tennis | 1,520,000 |
| Motor Boating & Sailing | 1,191,000 |
| World Tennis | 1,048,000 |

* Popular Hot Rodding's total audience was estimated as 2,373,000 in Fall '82 SMRB, the only one of these books to be credited with a larger total audience by SMRB than by MRI.

Several of the publishers offer more than one sports oriented title and combine them in packages with known audience totals, demographics and combination rates.

Ziff Davis Network, which includes sports books and some that are not strictly sports has an MRI total audience count of 18,155,000, but included are *Skiing*, *Flying*, *Boating*, *Car & Driver* and *Cycle*—plus *Popular Photography* and *Stereo Review*. Advertisers get a discount by buying any three.

Petersen Action Group's total audience is estimated at 27,805,000. In the group are the automotive books (*Hot Rod*, *Car Craft*, *Motor Trend*, *Motorcyclist*, *Pickup Van*, *4 Wheel & Off Road*); *Guns & Ammo* and *Hunting*; *Rudder*, *Sea*, *Lakeland Boating* and *Skin Diver*; and a new book, *Circle Track*, is being added. A discount is applicable to a buy of each of any three books. minimum two pages in one-third page or larger units.

Hearst Magazines has a Mens Magazine Package that includes *Sports Afield* along with *Popular Mechanics* and *Science Digest*. Total audience for the group is 20,780,000. *Motor Boating & Sailing* can be bought with the group as a supplement for advertisers meeting a quota in the base publications. A group discount applies.

The CBS Special Interest Group includes *Road & Track*, *World Tennis*, *Cycle World*, *Audio* and *American Photographer*. Total audience for the Group as measured by MRI is 10,372,000. Not included is *Field & Stream*, which has broadened its coverage in recent years from just hunting and fishing to include back packing, camping and similar outdoor personal sports—still relating them to hunters and fishermen. Also at CBS is *Woman's Day*, which has become affilliated with the U.S. Olympics as an official woman's magazine for the Olympics. Starting in January, coupon advertisers in *Woman's Day* can merchandise their products through coupons that include a device for contributing to the U.S. Olympics.

Times-Mirror Magazines include *Golf*, *Ski*, *Outdoor Life*. The *Golf/Ski* combination as measured by MRI offers a total audience of 5,125,000. *Golf*, *Ski*, *Outdoor Life*—together with *Popular Science*—are part of the Times-Mirror Network, which offers a discount for a Network buy.

Continued on page 104

## SPORTS (from 57)

Meredith's only sports coverage is of the sport of kings, sailing. *Sail Magazine*, its monthly, is an outgrowth of *Sailboat Directory*, one of the granddaddies in the Meredith stable of annuals. Last year it added a special issue for newsstand sales, *Learn to Sail*, as a spin-off applying the same technique as that used very successfully by *Better Homes & Gardens*. Second issue of *Learn to Sail* will be Spring 1983, and plans are in the works to add other similar specials to *Sail Magazine*.

Also not to be overlooked is the considerable coverage given sports by the general magazines, including several of the women's books.

The Magazine Advertising Bureau's recently released study of Media Involvement, which was conducted by Opinion Research Corp., included answers from a probability sample to the question: *Where do you get the most knowledge and useful ideas about sports?* According to this study, 41% of men and 39% of women rely on magazines for their sports intelligence—compared to 33% of men who say tv and 34% of women who say tv.

Perhaps of greater significance is the profile of sportsmen who get their sports info from magazines. They tend to be better educated, upper income, aged 18–44, professional/managerial/white collar in occupation.

However, magazines in general were not very successful this Fall in replacing tv expenditures on NFL football coverage when the strike left the big beer, automotive and other men's product advertisers scrounging for substitute media. Advertisers committed to one medium are slow to change. Most of them opted for tv substitutes or squirreled the big tv dollars away in order to make their profit-and-loss statements look better at the end of a recession year.

*Sports Illustrated* was the exception. It was already getting business from NFL advertisers for a male audience that is even greater than tv's Sunday football. As of November 11, *SI* had 14 extra pages from ten advertisers and more were coming in.

Magazines also have the opportunity to offer tie-ins to promotionally minded advertisers. An example of this is the recently created division of the New York Times Magazine Group (*Tennis* and *Golf Digest*) called GD/T Sports, headed by Kevin Walsh.

"We provide the sponsors with a turnkey operation in doing a promotion," says Walsh, who for the past two years has been handling GD/T Sports promotions for clients such as Thomas J. Lipton, Chrysler Corp., Seagram Distillers, Hart, Schaffner & Marx, Pinch Scotch, Holland American Cruises, Subaru and Vantage cigarettes, among others. "We organize the events or the competition, we handle accomodations, tickets, the parties, whatever it takes."

The promotional tie-ins are paid for by the client, and in most instances include an additional buy of nine pages in either *Golf Digest* or *Tennis*. One example of the scope of promotions available through GD/T Sports is Lipton's sponsorship of National Tennis Week.

"For Lipton, this is an exposure vehicle," says Walsh. "The competition

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# Chet Simmons ready for kick-off of new USFL football league

Chester R. "Chet" Simmons sits in the sparsely furnished commissioner's office of the United States Football League, a new entity that is growing faster than office furniture can be delivered.

Simmons is reading the sports pages of the New York *Daily News*, checking developments in the strike by players in the National Football League. The outcome of the strike does greatly affect the value of the USFL games that begin next March. Before the USFL had signed a single player to a contract, the league was able to extract a reported $60 million from ABC-TV and ESPN for the rights to broadcast and cablecast the USFL games over the next two years (a figure that Simmons says is exaggerated).

Whatever the actual price of the television rights sale, Simmons says advertisers have been approaching the league offering to pay up to 72% of going advertising rates for the NFL. If the NFL strike lasted for the duration of that league's season, the value of ad time on the USFL games would have risen dramatically.

"It all comes down to the fact that football delivers the perfect demographics for a lot of advertisers," says Simmons, who has been involved in television sports since 1957 and has served as president of both NBC Sports and ESPN. "When the founders of the league came up with the idea for the USFL, they weren't thinking about demographics. They were thinking of the sport. Football could handle another season. There were enough quality players available to insure a quality programing product. There were first class stadia available.

"But the real gut issue on whether or not the USFL could make a go of it was what it could do as a marketing and advertising tool."

is for mixed doubles. It starts at 1900 locations across the country and winds down to 32 mixed doubles teams who attend the national finals in the Sawgrass resort outside of Jacksonville, Florida.

"The contestants get a free trip to the resort for them and a guest. We have additional tie-ins with Eastern Airlines, Adidas and Penn balls.

"Then there are the co-chairmen, who are professional tennis players and are on site for the finals. Next year the pros will be John and Chris Evert Lloyd."

In addition to the exposure Lipton receives through the competitions, the sponsor also benefits from press coverage of the matches and the week in Florida.

The event is also publicized on sports programs on network radio. The total cost to Lipton is more than $250,000.

Sports are such a natural for promotional activity that many sports magazines mount special promotions around sports events. Probably the best known is *Sports Illustrated*'s special inserts—24 or 32-page advertorials covering the World Series, Indie 500, U.S. Open Golf, U.S. Open Tennis and the Superbowl. For obvious reasons as we went to press, the Superbowl insert was a cliffhanger. Ads in the inserts take a premium price, with advertisers getting tickets and a special week-end at the sports event for eight people for every page in the section. The section can be over-run and used as a promotion by advertisers in it.

*Sport Magazine*, which was bought by Southwest Media Corp. from Charter in April 1981, has made four most valuable player awards into a significant sports occasion, with awards presented to a World Series athlete, one to an NBA champ, one after the Stanley Cup and one to a Superbowl player. Besides a complete revamp of the magazine's format since the new owners took over, they have moved the awards presentation to a party at the Xenon disco in New York, with upwards of 600 young sports enthusiasts having a great time.

Another emerging trend is the development of special sections on sports events in general audience books. *Playboy*'s latest ploy is an example.

The June 1983 issue of *Playboy* will contain its first special advertising section. It will be built around a spectacular sports event, the Grand Prix de Monaco.

The issue will feature a full-color guide to the race and to the events that surround it, prepared with the cooperation of the Automobile Club of Monaco, which sponsors the race.

> "**Exclusive buys for auto marketers has pushed spot prices on sports sky high**"

Carrot offered to advertisers in the section is an invitation from *Playboy* to attend the Grand Prix. Closing date is February 24, 1983. Rate for the section carries a $5,000 premium over the regular earned rate. But the entire insert will also be run in *Automotive News* as a reprint.

*Playboy*'s participation was arranged by Stanley Fizer and Associates, licensing and marketing arm of Telemundi AE Company.

Editorial product will be the work of the magazine's own editors, freelancers and artist LeRoy Neiman.

Magazine Publishers Association reports that nine sports magazines increased average circulation 5% or more in the year ending June 30, 1982:

| | *Percent increase* |
|---|---|
| Golf World | +22.1% |
| Bicycling | +18.9 |
| Hockey News | +13.4 |
| Southern Outdoors | +8.5 |
| Sports Illustrated | +7.3 |
| The Sporting News | +6.9 |
| Road & Track | +6.3 |
| 4 Wheel & Off Track | +6.2 |
| Cycle World | +5.7 |

Several of these gains are numerically very large. Five of them have total audiences as measured by MRI of two million or more, led by *Sports Illustrated* with 15.7 million.

*The Sporting News* (up 6.9%) is unique in its tabloid format. It specializes in weekly reports giving all the news of each of the four major sports (football, baseball, basketball and hockey) every week all year.

### Radio and tv sports

"In trying to reach men 18 to 54," says Jerry Solomon, executive vp for D'Arcy-MacManus & Masius's Sports and Programming unit which handles network buys and tie-ins for Anheuser-Busch, "We can find alternatives in network tv. We can buy into other dayparts. We can buy into the news, even though the demographic deliveries will be smaller. But the point is, there is no *better* alternative to sports."

Nor does any other television and radio programming vehicle or print topic offer the diversity of advertising and marketing opportunities as do sports. The audience sports deliver is predominantly male, a demographic category difficult to reach through, for example, regular primetime network fare. Further, the sports program or article is built around an actual event.

In a televised or radio braodcast of the sports event, the viewer or listener is actively consumed in the program, and unless the competition is not competitive, the audience is absorbed throughout the game in anxious anticipation of its unpredictable outcome. For the advertiser, this viewer involvement carries over to its advertising message. In that way the advertiser not only reaches an audience which is activated and involved, but also establishes an association with the teams at play.

In addition, the event itself provides tremendous marketing and merchandising opportunities. At the stadium, ad messages are conveyed on the backs of tickets, on the plastic cups in which beer is served, on the scoreboard, in the program. Further, advertisers have sponsored play-of-the-game awards, amateur competitions and even professional events, all of which carry the advertisers's name in the title: The Chevrolet Most Valuable Player in several sports, the Emery Edge Award in hockey, the Dodge National Long Driving Competition in golf, to name but a few of literally hundreds of advertiser sponsored sports awards.

With the wide range of sports available for coverage (there are currently more than 30 different sports covered by broadcast and cable television) the advertiser can find both strong national events and sports with predominantly local or regional appeal. The local appeal is valuable to manufacturers with local distributors: the game provides the distributor with an event to attend

## Major rights deals negotiated for 1983, 1984 and 1985

| Year | Sport | Programmer | Rights Fee |
|---|---|---|---|
| 1982 | NFL Football | ABC, CBS, NBC | $400 Million |
| 1983 | NFL Football | ABC, CBS, NBC | $400 Million |
| 1984 | NFL Football | ABC, CBS, NBC | $400 Million |
| 1982 | Major League Baseball | Networks, some cable and STV | $118.4 million |
| 1983 | USFL Football | ABC, ESPN | $16.5 million |
| 1984 | USFL Football | ABC, ESPN | $16.5 million |
| 1982-83 | NHL Hockey | USA Cable Network | $4.4 million |
| 1983-84 | NHL Hockey | USA Cable Network | $4.4 million |
| 1982 | NCAA Football | ABC, CBS, WTBS | $66.4 million |
| 1983 | NCAA Football | ABC, CBS, WTBS | $74.3 million |
| 1984 | NCAA Football | ABC, CBS | $68.6 million |
| 1982-83 | NBA Basketball | ESPN, USA | $5.75 million |
| 1983-84 | NBA Basketball | ESPN, USA | $5.75 million |

SOURCE: QV Publishing, Inc.

and become involved with while increasing promotion within its market and helping to spur local sales of the product.

Still, with all its strengths, sports are going through a period of intense transition. Drug abuse scandals have tarnished the golden boy image of the professional and college athlete. Strikes have interrupted seasons in football and baseball and could spread to basketball. Major events pitting key athletes against each other can lose all value through injury to the sports stars.

And further, the cost of securing rights to games and other sports events are driving up the price of advertising on sports shows and could ultimately destroy the cost efficiencies presently offered to advertisers.

"Prices for sports programming are up tremendously over the past few years," says Fred Botwinic, the sports programming expert who was lured away from the Post-Newsweek stations to head up Katz Sports, a newly created programming and syndication division of Katz Communications that in its first 10 months, has emerged as one of the most aggressive non-network developers of sports programming. "The rates are getting out of proportion to what they deliver. Bids are being doubled and tripled to beat the competition."

"We offered over $400,000 for the broadcast rights to the Georgetown-Virginia basketball game this December (featuring the two highest rated centers in college basketball playing against each other), and Ted Turner takes it for $500,000 for the one game. It was a showcase game for his Super Station, but that left 77% of the country unable to see it, and the Washington, D.C. area blacked out, so he had to try to clear it on broadcast stations on a barter basis."

"The publicity that these rights sales get," says Botwinic, "makes the athletic directors up their own ante. It's come to the point where syndicators are paying out-of-line prices for sports events."

It isn't just syndicators. The three networks coughed up $2 billion for five-year rights to broadcast NFL games and to keep those games over the next two years, beating the second highest bid by at least $10 million. KOMO radio in Seattle beat five competitors for the broadcast rights to University of Washington football and basketball games for the next three years by bidding $510,101 per year. The university says the bid is the highest in the country. And the network rights to the 1988 summer and winter Olympics are reported to be going for more than $600 million.

The squeeze that these rights have placed on advertising rates has been correspondingly severe. Beer exclusivities for individual professional baseball franchises have reportedly increased as much as 20-fold. A minute on *Monday Night Football*, when it is played, costs at least $600,000. This year, ABC split the beer exclusivity between Miller and Budweiser for the first time, and added a minute to the minimum required to obtain exclusivity.

"What we have in sports is a free market bidding situation," says Steve Leff, executive vp of Backer & Spielvogel, which handles Miller Brewing. Leff agreed to speak for this article about sports in general, but declined to discuss Miller Brewing or any other particular client. "The sellers know this and they're taking advantage of it. But there are just so many major sports events."

The cost of advertising time on major sports programing is also spurred by the intense competition for air time in sports between major marketers in several advertising categories. Exclusivities are sold in automotive and beer categories, among others, but that monopoly franchise is being chiseled away. Many sports events now sell domestic and foreign car exclusivities to national advertisers.

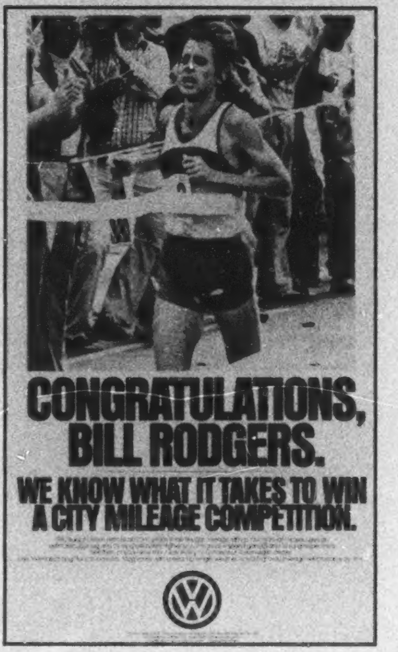
But the competition for this exclusivity has helped keep the price of spots in major sports programing at a premium.

Referring to the splitting of beer exclusivity on Monday Night Football this year, D'Arcy's Solomon says, "We forced that development. The three networks realized that with their new NFL contract, they would need to bring in over $120 million more than in 1981. They also needed one more ad minute per game. ABC knew that if it could get one more minute out of the beer category, it could bring in an additional $7 million over the 23 games. To keep (Budweiser) out of *Monday Night Football*, Miller would have had to take the whole thing, but they decided they couldn't afford it. They have to split it with us or drop out all together, and if they dropped out we would have taken the whole thing. We choreographed that situation for ABC."

At what price, however, will the bubble burst and the sports vehicles price themselves out of their present position of strength?

Chet Simmons, who has been on the broadcast and cable network side as rights buyer and is now in the seller's role as commissioner of the USFL, says, "I suppose that when we talk about the escalating costs of sports rights, I'm culpable. But I would not now say that we are anywhere near the limit that advertisers will pay to advertise in sports programing.

"Anybody who is going to bid for a major sports event is going to have to outbid the networks, and sports are critical to the networks' success. Why else would ABC take on the USFL when it was just a germ of an idea? Our season starts in the Spring and it is going to be a major test to see if ABC can get back the football audience in that season. It will be a lead-in for *Wide World of Sports*, and nothing is more important to ABC than maintaining high ratings for that program. During the Spring, there is only basketball, hockey, some baseball, golf and the anthologies for the sports audience. The audience isn't there. If the networks could do one-third as well in March as they do in the fall, it would be a bonanza."


CONGRATULATIONS, BILL RODGERS.
WE KNOW WHAT IT TAKES TO WIN A CITY MILEAGE COMPETITION.

**Volkswagen ad** gained in impact by appearing in newspaper sports secton day after marathon was run

Botwinic of Katz Sports believes that the bubble, while not ready to burst, could be ready to deflate a little.

"The rates are out of proportion to what they can deliver," says Botwinic. "When the results of some of the bad deals are finally publicized, the college conferences will reconsider how much they can ask for because of the bad publicity. That will bring the prices back down to earth."

Leff of Backer & Spielvogel, however, isn't as convinced that the bubble will burst any time soon.

"The bubble will burst when the cost of sponsorship goes beyond the point where it makes any economic sense," says Leff. "But compared to other dayparts, sports has been and still remains cheaper."

In Backer & Spielvogel's 1981 TV Sports Factbook, the agency quotes Nielsen Television Index CPM Report data to show that, in November 1981, the average male cost-per-thousand rates for men 18-49 in sports was $10.92. Late fringe costed out at $11.75, with evening news at $12.86, primetime at $14.53, and weekday daytime at $19.34.

### On cable, pay-per-view?

Despite the efficiency in reaching the male target audience through sports, most observers in the field say that the development to stem the tide of spiraling costs will be pay-per-view events, in which viewers will pay a one time fee to be equipped with an addressable receiver that will enable them to view a special and heavily promoted sports event.

"Many people involved with sports think that pay-per-view will make them rich in three years," says Botwinic. "But the technology won't be viable for another four or five years at the earliest.

"The other problem is getting the special games that will support pay-per-view. A college conference for the next five to ten years is going to need a certain number of games for over the air broadcast. That means there will only be a certain number of games left for pay-per-view when it becomes viable, and those have to be very attractive games to make it work."

Solomon also has unanswered questions about the scope and viability of pay-per-view events.

"With the exception of the Thomas Hearns-Ray Leonard fight, none of the pay-per-view events did all that well this year," says Solomon.

"Whatever happens in pay-per-view, we will have to look at any price increases and measure it against what else is available, and evaluate the potential first for drawing larger audiences and then for other merchandising and promotional advantages. With sports, we can find ways to make the increased cost work better for us."

Budweiser, perhaps as much as any advertiser, has taken advantage of the promotional and merchandising opportunities that are unique to sports properties. The brewer is the official sponsoring beer of 21 of the 24 American teams in professional baseball, and is the exclusive beer for every New York professional sports franchise. Budweiser has dominated boxing sponsorships, and with its exclusive deal with ESPN has been able to place its logo on turnbuckles and ring mats, as well as other promotions. ■

## U.S.-oriented guide:

# An insider's Canadian media

From an American perspective, it seems kind of foreign to think of Canada as being, well, foreign. Perhaps that feeling has something to do with the proximity of the two nations and some assimilation of Canadian elements into the mainstream of U.S. culture: the Montreal Expos, Margaret Trudeau, Canadian bacon and Canada Dry.

But while there's a healthy amount of overlap between the two North American neighbors, a great deal of difference also exists. And this contrast carries over into the quirks and mechanics of media buying.

Understanding the nuances of Canadian media has become a prerequisite for U.S. marketers seeking a niche "up north." The stakes are lucrative. Canada has become one of the United States' best customers, accounting for approximately 20% of all U.S. exports.

But it takes more than a little finger-walking through SRDS directories to size-up the intricacies of using Canadian media. "It's a very fragmented market," says Guest Editor Hugh Dow, senior vp-media director of MacLaren Advertising — one of Canada's top 5 agencies. On top of that, he notes, "Canadian media have to compete, not only among themselves, but also with the American media that's spilling into" the country.

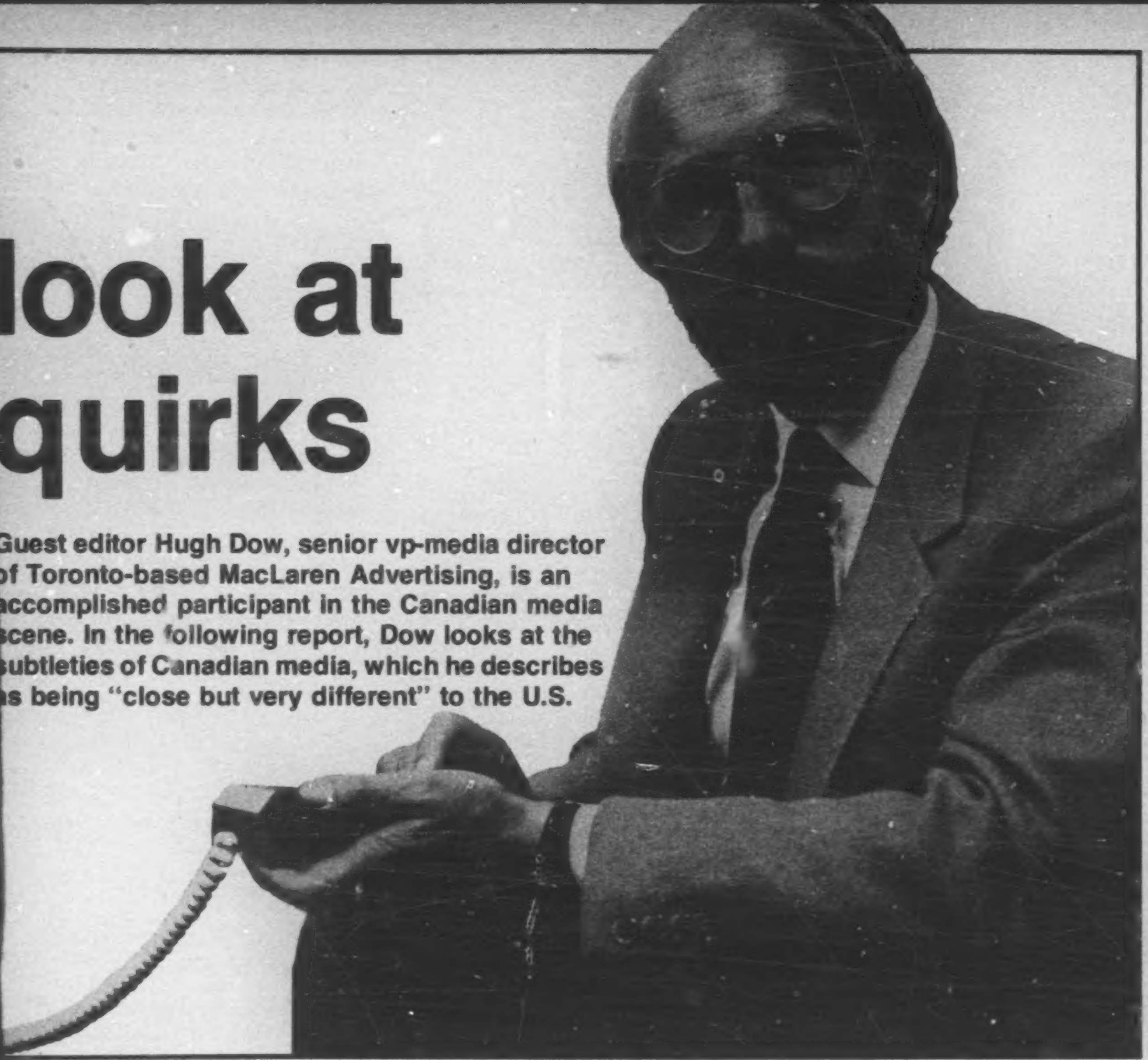
Dow knows the ropes very well. He currently serves as president of Canada's only magazine audience measurement organization, the Print Measurement Bureau and as a director of the Broadcast Bureau of Measurement — which is one of two such services in that country.

A native of Liverpool, England who began his career as a client rep with Britain's version of Nielsen, Dow has designed and created several editions of the Television Reach/Frequency Guide used by Canada's advertising community for media planning. He also found some spare time and paper to pound-out the Multi-Week Television Reach/Frequency Guide and the Multi-Week Frequency Distribution Guide.

Dow has been with MacLaren for 13 years, the past seven of which have been as media director. The agency currently bills about $18 million from accounts that include General Motors of Canada, Imperial Oil (Exxon), John-Deere, Kitchens of Sara Lee

# look at quirks

Guest editor Hugh Dow, senior vp-media director of Toronto-based MacLaren Advertising, is an ccomplished participant in the Canadian media scene. In the following report, Dow looks at the subtleties of Canadian media, which he describes s being "close but very different" to the U.S.



(Canada) and Molson's Brewery.

In the following article, Dow offers an overview of the subtleties that, in his view, make the Canadian media scene "close but very different." He prefaces his report with the note: "Apologies are offered in advance to those Canadian media and media vehicles that unfortunately could not be covered in this article."

## Media complexity

Canada's unique combination of geography, language and overflow media make the Canadian media scene one of the most complex in the world.

The general dispersion of Canada's 24,000,000 population in an east to west strip some 3,000 miles long and about 200 miles wide presents great difficulties for the physical distribution of media units. National daily newspapers, in turn, are not a significant media factor in Canada. Although magazines have adapted well and are regarded as a viable national medium, the advantages of electronic transmission have resulted in the television medium developing into Canada's foremost national media form.

Canada is, of course, a country of two official languages. The French market representing 25% of Canada's population is located primarily in the province of Quebec. With distinctly different marketing and media patterns, the French market requires, in the majority of cases, appropriately different marketing, creative and media approaches. The Canadian media practitioner must be aware of these differences to plan and purchase effectively. In addition to the French market, Canada also has sizeable ethnic population groups. Toronto, for example has over 500,000 people of Italian descent. Here again, means of reaching these groups, when required, must be incorporated into media planning.

The majority of Canadians can receive U.S. television signals and can purchase U.S. magazines. Canadian media vehicles must therefore compete with these "overflow" media. Canada's continuing attempts to preserve Canadian media forms, production facilities and the presentation of Canadian culture are naturally of prime concern to many government and industry bodies. Examples of legislation intended to protect and preserve

◀ **Dow (far left) moderates one of his 30-person department's weekly Monday media seminars. The hour-and-a-half sessions are designed to develop staffer's presentation and research skills.**

Canadian media will be referred to frequently in this article. No disrespect to U.S. media owners is intended. The examples are used to illustrate how Canadian media is adapting to the availability of obviously attractive and, in many cases, superior media forms from south of the border.

## Broadcast overview

There are some substantial differences between the Canadian and United States broadcast scene. The most obvious of these is the strong position that Govenment has taken in Canada towards involvement with both radio and television media. The Canadian Broadcasting Corporation (The CBC) is a Crown Corporation responsible to the federal government.

The CBC provides both English and French television and radio network services. Stations in most major markets are owned and operated by the CBC. Others are privately owned affiliates and have joined the CBC network. The CBC television service relies on advertising to practically fund its operation. For example, the CBC English networks' current operating budget is $400 million annually. About $95 million is derived from advertising revenue. The remaining portion is from public funds. The radio networks rely entirely on government funding since they don't accept advertising. The CBC television networks compete in the media marketplace with privately owned networks and stations.

Government involvement in broadcast media is also evident in the strong position occupied by Canada's regulatory body - The Canadian Radio-Television and Telecommunications Commission (The CRTC). This federal agency established by the Broadcasting Act of 1968 is empowered to license and regulate all Canadian broadcasting both public and private. To provide an indication of the extent of the CRTC's mandate, the following are some of their primary areas of responsibility:

- The ownership structure of broadcast outlet
- Television and radio station license application and renewal
- Cable television license, renewal and fees
- Pay television licenses and policy
- Simulcasting and program substitution policy
- Script approval for food, drug and cosmetic products
- Policy for and monitoring of Canadian content in programing and commercial production.

Obviously the degree of Canadian legislation is far higher than in the United States. If anything, the power and control of CRTC has increased in recent years. This is in direct contrast to the FCC, which increasingly appears to be adopting an "open skies" policy. The underlying reasons for the strong role government plays in the Canadian media scene will become less clear is the future of legislation in an era of North American satellite transmission and new video media forms.

Finally, an alarming development in Canada in recent years has been the introduction of taxes on advertising. Currently, two provinces, Quebec and Newfoundland, impose taxes of 2% and 4% respectively on net broadcast dollars. These taxes have not been well received by the advertising community.

Canadian media planners and buyers must continually be aware of the myriad of federal and provincial restrictions that exist. These affect not only the extent and form of media placement but have a direct bearing on the future development of Canadian media forms.

## The tv picture

The television medium in Canada is highly developed. 97% of households have television sets, 56% have more than one set and 90% have at least one color set. The average Canadian adult spends just over 25 hours a week with the medium somewhat less than the 30 plus hours per week reported for viewers in the U.S. This gap is accounted for by differences in the measurement systems employed and perhaps the greater programing emphasis placed, in the U.S., on daytime dramas and weekend sports.

Canadian viewers display a marked preference for programs of U.S. origin. On a recent list of top 10 network programs only 2 Canadian programs, *Hockey Night* in *Canada* and *Fifth Estate* (a public affairs program), secured rankings. U.S. programs such as *Dallas* and *Three's Company* have for many seasons generated the largest network program audiences in Canada.

The Canadian television scene is renowned for its high cable penetration. Nationally some 53% of homes are hooked-up to a cable system. Cable penetration stands at around 40% nationally. In most major urban markets, however, penetration is considerably higher — usually exceeding 70%. In Vancouver B.C., for example, where cable first developed, penetration now stands at 85%. Saturation levels for cable are probably close at hand due to the cost of providing cable service to rural areas. Cable licenses are granted by the CRTC on a mutually exclusive geographical basis. Subscription rates and the channels offered must also receive approval from the CRTC. Cable in Canada has developed as a means of distribution for conventional off-air television signals.

The sales of advertising time by cable companies is not permitted — a distinct difference to the situation in the U.S. Cable companies in Canada are, however, encouraged to provide community services. Many of them do this by offering public access channels or general consumer services such as tv listings, supermarket price comparisions, etc. Even in these forms the cable companies are not permitted to sell advertising.

One of the main reasons a Canadian consumer would subscribe to cable would be to receive good quality U.S. signals. As cable has grown in Canada so has the amount of time Canadians spend tuned to U.S. channels. Currently 24.1% of all viewing time is spent with U.S. stations — a steady growth from 18.4% in 1970. These percentages do not, of course, take into account the amount of time Canadians spent with the U.S. programs purchased and screened by Canadian networks. When examined in terms of the number of U.S. channels made available to Canadian viewers, cable is often cited as the primary cause of audience fragmentation. It should be recognized, however, that cable has also been instrumental in distributing Canadian signals to markets that would otherwise have only poor quality off-air reception.

The latest development in Canadian cable has been the introduction of the cable converter. This device has enabled cable companies to provide up to 105 television channels. Of course, not all of the channel positions are currently occupied. The device became a necessity when, in the mid '70s, all available dial positions were filled in most major markets. Converters have also enabled cable companies to expand their revenue base as both access and the converter itself involve additional charges from the cable companies. Currently, penetration of cable converters is primarily confined to major markets. In Toronto, for example, 68% of cable homes now have a converter.

The prevention of audience erosion, particularly to U.S. stations, has preoccupied many Canadian broadcasters and legislators. Probably the most effective counter-technique is a practice called simulcasting. This practice is only made possible by means of cable and Canada is probably unique in the circumstances which have led to its development. Simulcasting involves the deliberate scheduling by Canadian television stations so that certain U.S. purchase programs are aired at the same time as the identical program on nearby U.S. border stations. The Canadian stations can then request (with CRTC backing) that all cable companies in the area replace the U.S. transmitted program with the identical Canadian signal.

The same Canadian program complete with commercials, therefore runs on two different cable channels at the same time. This may naturally cause some confusion to the viewer who turns in to Channel Four and finds Channel Eight's call letters. It also causes some difficulty with audience measurement. Both rating companies have adopted special procedures whereby the Canadian station is accredited with the audiences transferred by cable from the U.S. stations. Naturally, many stations charge a premium for simulcasting. This practice should be noted by multi-national companies who may assume that U.S. advertising placed in Buffalo or Seattle will reach Toronto or Vancouver. Simulcasting may in fact be effectively removing a large portion of their television weight in these Canadian markets.

Simulcasting and Federal Legislation have been the main points in what has been termed the "re-patriation of

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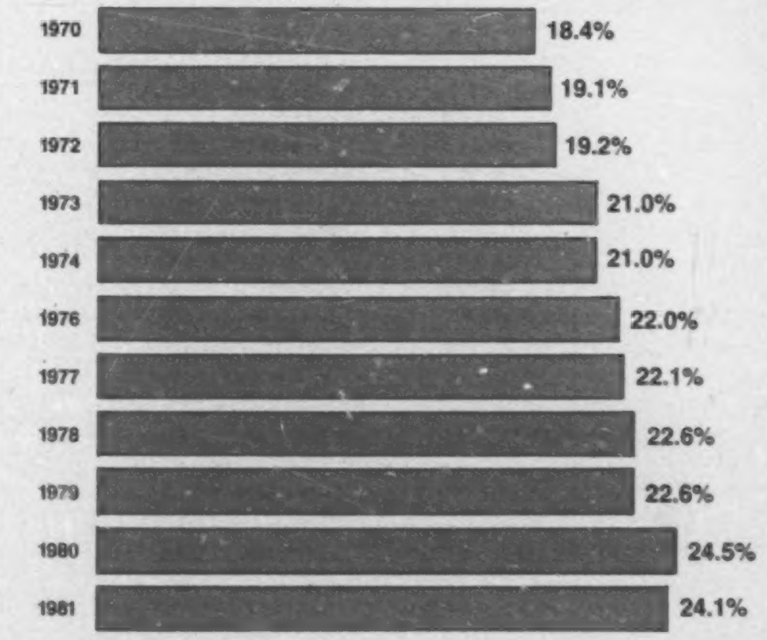
U.S. Stations' share of Canadian viewing



Source: BBM Fall Surveys

the Canadian advertising dollar." The controversial Bill C-58 introduced in 1976 disallowed broadcast purchases on U.S. border stations as a deductible business expense if they were directed to a Canadian audience. Sharply reduced media placement on Buffalo and Seattle stations resulted. Whether these policies will continue to be effective in an era of satellite transmission, DBS or dish antennas, remains to be seen.

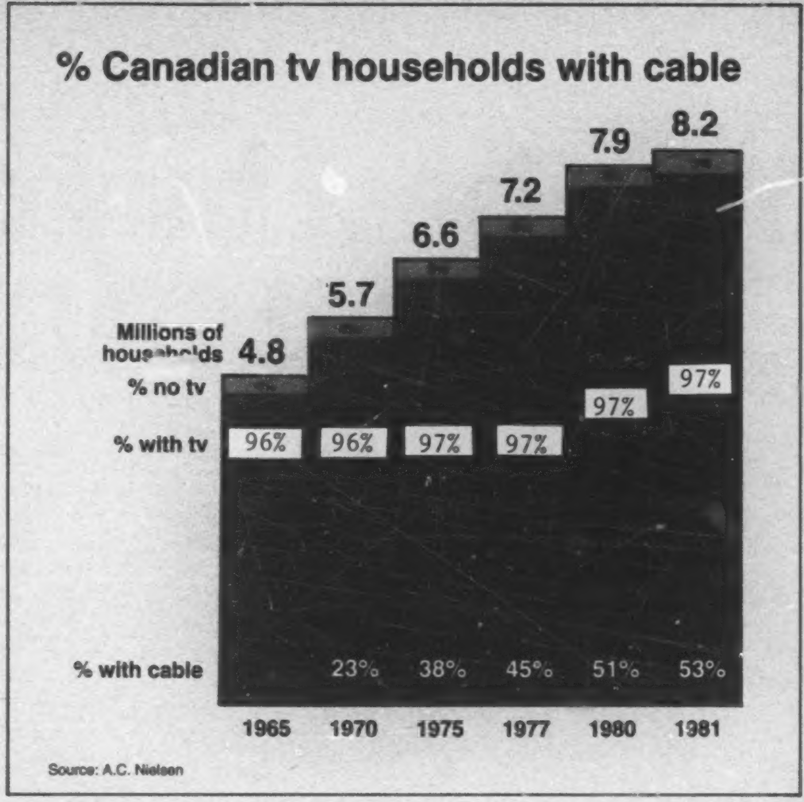
Pay television, now a major factor in the U.S. media marketplace, will soon arrive in Canada. The CRTC, after some ten years of deliberation, announced in February 1982 that six pay television licenses had been granted. Two of these licenses are for national services and four are for regional. A viewer in Ontario, for example, will be able to choose from three pay television services. All of these services are scheduled to begin operation in February 1983. Little is known at this point regarding specific programing, pricing or marketing plans.

In contrast to the U.S., the Canadian pay television services will not be available for commercial advertising purposes. They will be distributed via cable and accessed through converters. A number of the companies will also be relying on satellite distribution of signals. A major question in Canada at the moment is with respect to the penetration these pay television services will achieve. An obvious temptation is to examine pay television development in the U.S. and to draw some conclusions regarding Canadian development. This approach is generally regarded as being somewhat fallacious because of differences in the regulatory environment, the revenue base and degrees of audience fragmentation. These factors would tend to inhibit the development of pay television in Canada.

On the other hand, Canada is heavily cabled and pentration of converters is at reasonable levels. Most industry observers predict that Canadian pay services, given the right mix of programing, pricing and promotion, could achieve a 30% penetration within five years of its launch.

The implications of the current and future developments in the Canadian television environment for media planning and buying are numerous. Audience fragmentation as it currently exists in most major markets requires the careful assembly of a large number of media units in order to make up a meaningful television purchase. As degrees of fragmentation vary by market, careful attention is paid to the optimum integration of network and spot weight. Most television plans will involve a base of network with spot television used to supplement delivery in major markets where fragmentation is at its worst. Media planners and buyers must also be constantly aware of programing developments in the U.S. There is no point in purchasing a U.S. program carried by a Canadian network if that program stands a good chance of cancellation in the U.S. New program performance predictions are thus particularly hazardous in Canada.

The Canadian television scene will continue to be affected to a very large degree by developments in the U.S. This combined with general North American developments in video technology and transmission can only add to the future complexity of Canadian media planning and buying. Investment in superior methods of coping with the rapidly changing environment must be made if Canadian media departments are to continue to operate expediently and efficiently.


% Canadian tv households with cable

Source: A.C. Nielsen

## Canadian-styled tuning

As of the latest count there are 390 AM and 198 FM stations operating in Canada. Excluding the CBC's non-commercial stations there is a grand total of 525 radio stations available for media placement.

Radio, being primarily a local or regional medium, is not affected to a great degree by spill from the U.S. Although in Canadian terms it is a fragmented medium, with up to 15 stations available in any one market, U.S. radio fragmentation is, in fact, far more severe. In Canada each radio station services an average population base of 47,714 people. In the U.S. each of the 7,966 radio stations provides service to an average of 28,371 people.

Radio tuning in Canada has shown a

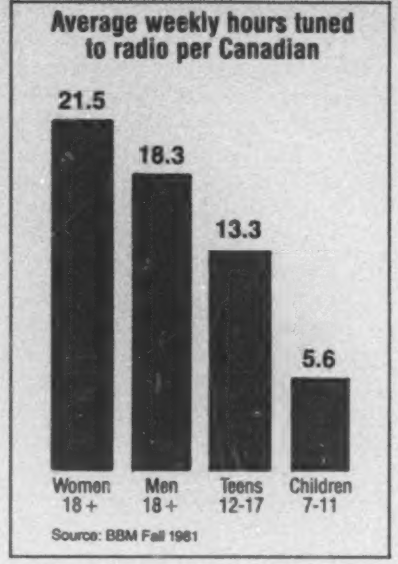
gradual increase in recent years. In 1976 the average Canadian adult spent 19.5 hours per week tuned to radio. By 1980 this figure had risen to 21.5 hours. Latest data for 1981 does, however, indicate some fallback from this level. Tuning levels in the U.S. would appear to be slightly higher than in Canada, averaging 24.2 hours weekly for Adults 18 plus. A major portion of radio listening is now accounted for by tuning to FM stations. This segment of the medium accounts for 32% of all radio tuning — a dramatic increase from the 17% it accounted for in 1977. As 95% of households and 44% of cars are currently FM-equipped, the steady increase in FM tuning is expected to continue and to catch up with that reported in the U.S.

In contrast to the United States, there are no radio networks available in Canada for media placement. Although the CBC operates a national network, it's a non-commercial one.

In recent years there has been some development in radio program syndication. The development of satellite technology will undoubtedly assist in this area. Simulcasting has also been used in radio. This involves a simultaneous transmission of both a television audio and radio signal whereby full stereo sound can accompany a television program. Although it is used to good effect for such formats as rock concerts, it is not a widespread practice due to its somewhat limited application.

A great variety of radio formats are available in most major Canadian markets. The most extreme of these is probably an all-news format which after an initial rocky period now appears to be holding its own. Competition between stations is intense, particularly in major markets where two or more stations try for the same demographic segment of the market. Negotiations for media time are commonplace — not necessarily in terms of rate cutting — but in terms of concessions provided by the radio stations. Most radio time is sold on a time-block, rotation basis. Computer analysis such as that provided by Telmar is frequently used in support of sales claims.

As with television, the radio medium is closely regulated by the CRTC. Apart from the granting and renewal of licenses, the CRTC imposes strict quotas on content and format. Most noteworthy of these are the content requirements for Canadian music. 30% of all records played must comply with certain stipulations pertaining to Canadian content in lyrics, composition, artists, etc. This, since its introduction in the early '70s, has been of great benefit to the Canadian recording and music industry. There are also restrictions on the number of commercial minutes that can be sold in any week. Current regulations ensure a maximum of 1500 minutes per week for AM stations and 1050 minutes for independent FM stations. There are, of course, no comparable FCC restrictions in the U.S.



Source: BBM Fall 1981

The future would appear to be bright for the radio industry in Canada. The medium has adapted well to heavy competition from television and with its unique advantages is capable of capitalizing upon the technological difficulties which will undoubtedly be experienced by many other Canada media forms.

## A tough environment

Over 350 different ABC-audited U.S. consumer magazines are available in Canada. There are in fact more U.S. titles available than Canadian. The one-issue circulation of U.S. magazines is about one-third of that provided by all Canadian consumer magazines.

This massive overflow is the primary problem that Canadian magazine publishers must contend with. It is the reason why the Canadian advertising economy has been unable, as yet, to support a full range of specialist magazines of the types found so extensively in the U.S. (e.g., romance and confessions books, fashion and charm magazines, popular mechanics journals etc.). Although these publications are well known to Canadians via newsstands they have no real counterpart in Canada.

One of Canada's unique solutions to an extremely competitive magazine environment has been the development of controlled circulation magazines. These publicatons are delivered without charge to pre-selected households in designated markets. Currently there are some 14 controlled circulation magazines available, generating a combined circulation of over 3.5 million copies.

When controlled circulation magazines were first introduced in 1966, the concept was greeting with some skepticism. The advertiser's primary concern was the quality of editorial and the relative emphasis placed on content by the magazine versus delivery of the circulation numbers.

Through quality of product, promotion and extensive research the skeptics were proved wrong. Today controlled circulation magazines are a major force in the Canadian market place. The leaders in the field are, without question, Comac Communications Limited with a stable of five controlled circulation magazines. These include *Homemakers*, delivered to 1,330,00 households in the top 28 English speaking markets, its French counterpart, *Madame Au Foyer*, delivered to 310,000 copies in the top 10 markets and *Western Living* with 181,000 copies in major western cities. In addition to the Comac group there are a number of other controlled circulation magazines, primarily of the regional or city book type.

Canadian subscriber-based magazine titles are in some cases familiar to U.S. readers. *Readers Digest* (1,329,000 circulation) and its French counterpart *Selection Du Readers Digest* (323,000) use Canadian editorial

*Time* magazine (319,000), however, uses no Canadian editorial but is printed in Canada. Canadian advertisers using *Time* cannot, under the auspices of Bill C-58, claim the cost of advertising in this magazine as an allowable business expense. The Canadian edition of *TV Guide* (945,000) is one of a multitude of both national and regional tv listings publications. Major home-grown consumer magazines include *Chatelaine* (1,090,000) and its French counterpart *Chatelaine* (302,000) which are monthly women's publications. Canada's news magazine, *Macleans*, is now published weekly and has settled down to a circulation of 655,000 copies.

Newspaper-distributed rotogravure magazines were dealt a major blow earlier this year with the demise of *Today* (3,045,000). *Perspectives* (598,000) in French Canada is now the sole remaining survivor of this once important segment of the magazine market.

## Dailies' dimensions

There are currently 117 daily newspapers in Canada. They generate an average daily circulation of 5.6 million copies. This circulation level represents a daily household reach of 69%. In spite of some recent closures, the number of daily newspapers has increased from the 112 published in 1970 and 114 published in 1975. Circulation has also increased in this period of time — up from 4.8 million copies in 1970 and 4.9 million in 1975.

Two markets in Canada, Montreal and Toronto, are served by three or more daily newspapers. In Montreal, three French and one English daily papers are available, in Toronto, 3 English papers are published. Apart from these markets, another ten markets support two or more daily papers.

The most spectacular daily newspaper success story in recent years has been that of the Toronto *Sun*. First published in 1971 by ex-employees of the defunct Toronto *Telegram*, this morning tabloid had an initial press run of only 78,000 copies. Today, circulation has climbed to 249,000 copies. In November 1973 the *Sun* introduced a Sunday tabloid at 125,000 copies. Today circulation stands at 428,000 copies. The MacLean-Hunter publishing group recently bought 49.7% of the paper for $54 million (Canadian). In addition to Toronto there are *Sun* dailies in Calgary, Edmonton and Winnipeg. They have not, however, enjoyed the same success as that of the Toronto *Sun*.

An interesting recent development in the area of new technologies has been the Toronto *Globe & Mail's* use of satellite distribution. The daily now has the capability of being transmitted from Toronto for publication in Vancouver, Calgary, Montreal and Moncton. This is enabling the *Globe and Mail* to position itself as Canada's first national daily newspaper.

As in the U.S., a number of Canada's newspaper publishers are involved with videotex technology. Informart, the worldwide marketing representatives of Canada's Telidon technology, is jointly owned by the Toronto *Star* and Southam Newspapers. A considerable investment is being made in videotex field trials throughout Canada.

Until recently the daily newspaper industry in Canada was poorly represented in terms of audience research. Today after a concerted effort by the Newspaper Marketing Bureau, on-line computer access is available for readership studies conducted on 29 newspapers in 15 major markets.

## Other Canadian media

The outdoor medium in Canada has shown a dramatic transformation in recent years. New media forms such as mall posters, backlights, junior posters and transit shelters were not available as recently as five years ago.

Outdoor is sold aggressively by two marketing firms; Mediacom, which represents all six outdoor forms in Canada and Urban Outdoor, which provides competitive representation in the area of backlit boards. A new entrant in the marketplace is Mallcom who will be specializing in mall posters.

The outdoor medium is sold on a grp basis with sophisticated computer programs showing potential reach/ frequency levels on a market-by-market basis. The Canadian Outdoor Measurement Bureau provides traffic counts for each outdoor location. These then form the base for rating point delivery and subsequent reach/ frequency calculations.

The transit medium in Canada consists of three forms: bus boards, (exterior), car cards (interior of buses and subways) and subway (platform posters, spectaculars and door cards). Subway advertising is available only in Toronto and Montreal. Although most transit is sold on a unit basis, recent developments include the establishment of grp's.

Some research is available on the medium.

## Summary and conclusion

This article has attempted to cover a great deal of ground. It should leave little doubt that the Canadian media scene is radically different to that in the U.S. or, for that matter, any other country.

Canada has adapted to a unique set of media circumstances. In so doing it has developed new media systems, procedures and methods of measurement. Legislation of the media has, in most cases, been vital and although troublesome from a media planning and buying point of view, has been instrumental in the continued survival of many media.

Canadian media planning and buying is, to many U.S. advertisers who have worked with Canadian agencies, becoming increasingly sophisticated. Because there are fewer markets and, in most cases, fewer media forms, greater emphasis appears to be placed in Canada on the strategic components of planning and buying in all forms of media available.

There are major challenges to be faced in Canada in the next few years. The advent of pay television and the impact of new media forms will be closely watched. Existing media forms will also be affected and adjustments to both planning and buying will inevitably be required.

The Canadian media community's resourcefulness has been amply demonstrated in the past. We will undoubtedly cope with future changes in the same innovative fashion. ■

# Singles boom now . . . but bust later

**Singles now make up 34% of the adult population and are posing a challenge to marketers. More magazine readers than tv viewers, the singles also have significant discretionary income. But a swing back to less self-involvement is predicted by agency research directors.**

**A**loneness is emerging as a significant and growing life style.

Whether it comes because of individual preference, sociological trends, economic conditions, or demographic forces, the growing number of singles in the United States is a factor marketers and advertisers must watch with increased attention.

Manifestations of the phenomenon of singleness are rife in everyday life. The sight of numbers of people in urban settings walking, riding and working in the aural isolation of private headset sound is now common and unremarkable. Larger numbers of individuals are seeking the company and stimulation of computer and arcade electronic games as well as the individual information access provided by a computer terminal in home or apartment.

An increasing number of people are chosing to live singly rather than in couples, or the traditional family unit.

The Census Bureau forecasts that by 1990, close to one half of all U.S. households will be non-traditional — men and women living alone.

But agency research directors contacted by *Decisions* project a decline in the number of singles as the decade advances because of economic pressures, a decline in the number of young people in the population, and greater desires for connectedness.

The situation has been addressed by a research report from Young & Rubicam, which sets forth the statistics defining the growth of the singles life style. Between 1970 and 1980, the percentage of the population that is married shrank from 69% to 62%; the percentage of divorced doubled from 3% to 6%, and the percentage that is single rose from 16% to 20%.

Over the decade, the number of singles increased from 40.1 million to 58.7 million, according to the 1980 census count, and many indications suggest the total will continue to rise throughout the decade. At present, singles account for two out of every five adult Americans.

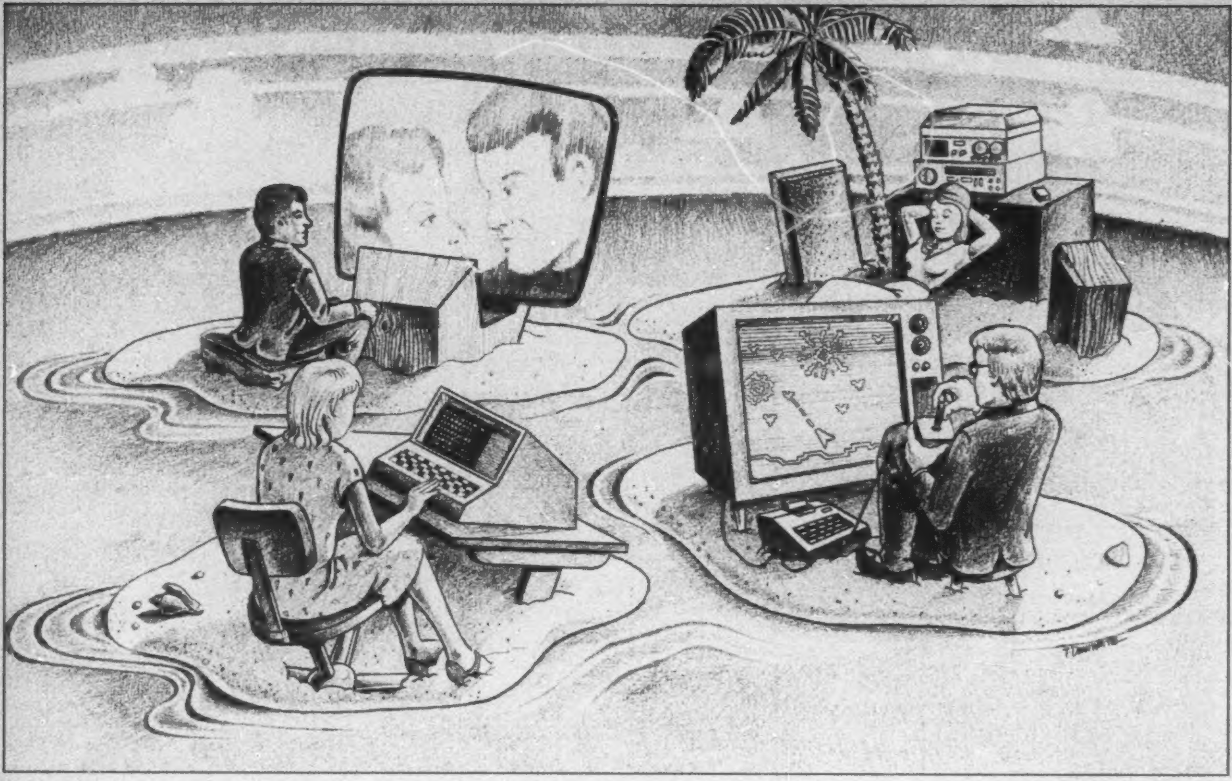
A breakdown of the singles population shows they are 57% female/43% male, and more than half of them are under 35 years of age.

By category, 53% have never married, 21% are widowed, 17% are divorced, and 9% are separated. Geographically, they are fairly evenly distributed across the country representing one third of each region's population.

The largest share of never marrieds (61%), fall into the 18 to 24 age category, and another 22% into the 25-35 group. In the divorced group, the age distribution is fairly even: 30% in the 25-34 quintile; 25% in the 34-44 quintile; and 31% in the 45-64 quintile. The bulge among separateds also falls into these three quintiles. Among the widowers and widowed, the bulge is in the over 65 quintile, with 68%. Another 28% fall into the 45-64 quintile.

The Young & Rubicam report notes that the composition of the singles market is continually changing, and is a constant challenge. "New people enter the singles market and others leave, making it an ever evolving market. Consequently, if an advertiser continues to be interested in reaching singles, a constant effort is necessary to attract the attention of new people entering the marketplace."

Causes for the expansion in the singles population are attributed to the



maturation of the baby boom generation, the sharp increase in the divorce rate, from 47 per thousand to 100 per thousand persons, the trend toward later marriage, and an increase in the popularity of pre-marital living together.

The view taken by the Y&R report is that the 18 to 34 singles market is the one of greatest potential, and reflects lifestyle rather than marital status, and that it is a lifestyle that reflects freedom. Findings on the group show:

- Financial commitments are few in comparison to the older segment who have responsibilities for mortgages, alimony and child support.
- They have no family responsibilities associated with the older singles who have a greater tendency to be divorced, separated or widowed with children.
- The singles are young and energetic and have great mobility.

In the recent past, the single life was regarded as a temporary or transitory phase led by post-adolescent "swingers" who lived in singles complexes while "waiting anxiously to become betrothed." But in the early 1980's that phase of life has been placed in a different and more valid context. Singles are viewed as being single by choice rather than by chance while consciously committing themselves to such a lifestyle, Y&R reports.

How singles view themselves is disclosed by a Stanford Research Institute study of Values and Life styles (VALS). Singles account for 94% of those who identify themselves with the "I-am-me" life style definition. They also account for 36% of the "experimentals." The singles barely show up in the "achiever" and "belonger" categories, where the marrieds are tightly clustered.

The profile of the "I-am-me" type person shows someone more likely to be dissatisfied with finances, to try new and different things, to say tv is not his or her main form of entertainment, to prefer going out to staying home, to act on hunches, and to spend rather than save money.

The "experimenters" profile is similar. They are most likely to rebel against their upbringing, and least likely to agree that tv is their main form of entertainment.

Singles also tend to be physically active, joining health clubs and participating in activities such as painting, sculpting and drawing, motorcycling and bicycling. By contrast, marrieds are strong on needlework, outdoor gardening, cooking and adult education courses.

Product areas in which young singles show higher than average consumption patterns include travel accessories, spirits (particularly tequila, rum and cordials), imported beer, ale, high-fi and recorded music, books, mineral water, gold jewelry, imported cars (particularly Toyota, and Chevrolet Camero among domestics), and sporting goods, according to 1981 SMRB data.

Although on average, singles have substantial earning power, they are well below average in their use of banks and financial services.

### Media habits

Media habits of the singles show a marked perference for print over electronic delivery for visual material, according to the Y&R report:

- Singles read an average of 7.1 magazines per week from categories

# WHY THERE'S A SURGE IN THE SINGLES MARKET

### PROFILE OF "SINGLES"

| | |
|---|---|
| Never Married | 59% |
| Widowed | 23% |
| Divorced | 18% |

### LIFE EXPECTANCY

| | MEN | WOMEN |
|---|---|---|
| 1960 | 66.6 | 73.1 |
| 1970 | 67.1 | 74.8 |
| 1980 | 69.9 | 77.8 |

### DIVORCE RATE

(Divorced persons per 1,000 married persons)

| | |
|---|---|
| 1960 | 35 |
| 1970 | 47 |
| 1980 | 100 |

**Source:** *Statistical Abstract of the United States: 1981*

### MEDIAN AGE AT FIRST MARRIAGE

| | 1950 | 1960 | 1970 | 1980 | 1981 |
|---|---|---|---|---|---|
| **MEN** | 22.8 | 22.8 | 23.2 | 24.7 | 24.8 |
| **WOMEN** | 20.3 | 20.3 | 20.8 | 22.0 | 22.3 |

**Source:** *Bureau of the Census Series P-20 No. 372*

### CHANGES IN SINGLES POPULATION 1960–1979

(in millions)

| | FROM POPULATION INCREASE | OTHER FACTORS | TOTAL CHANGE |
|---|---|---|---|
| NEVER-MARRIED | 15 | 4 | 19 |
| DIVORCED | 1 | 5 | 6 |
| WIDOWED | 4 | −2 | 2 |
| TOTAL SINGLES | 20 | 7 | 27 |

Source: *American Demographics*, November 1981

relating to lifestyle, health, leisure, recreation, shelter and fashion.

- They prefer album-oriented rock, soft rock, black and contemporary-disco radio formats.
- Older age groups (concentrated in the divorced/separated/widowed segment) watch more tv than the younger group of "never married" singles.
- Singles watch more television during late fringe hours than the average adult.

With the lower television viewing levels of younger singles, the Y&R report suggests that the use of tv must be on a selective basis. But cable is recommended, in part because of the higher discretionary spending power of singles, and also because it provides the opportunity to offer specifically tailored programs at time slots when singles are most likely to be watching, particularly late fringe.

Singles use of newspapers is below the national average, between five and 10% under, for daily and Sunday publications. But sections which could pull better for the single segment include entertainment, sports, travel and lifestyle sections.

In its conclusions, the report suggests cable and segmented forms of broadcast will assume increasing importance to reach singles, as will new magazine categories built around personal interest trends and activities.

Although singles, particularly the younger ones, are currently expanding their demographic domain, agency research directors view their expanding dominance as being a short term phenomenon. A pendulum swing away from the pleasures of selfish indulgence, a reaction to alienation and rootlessness, and desires for deeper relationships are expected by Eleanor Holtzman, executive vp-director of research, McCann-Erickson, and Edith Gilson, senior vp-executive director of research, J. Walter Thompson.

Ms. Holtzman sees an increasing "hunger in people for roots and emotional relationships, for family ties and a reaction against alienation." She envisions that coming in the form of "a subtle turn-around."

"People have been a product of their environment. They have not wanted to be tied down, but they also don't want to be alone."

She predicts that "there will be a continuation of separations, but a factor in this will be the rate of economic growth." In difficult economic times, people simply can't afford the cost of a separation. "There will probably also be a continuation of serial marriages."

Ms. Gilson at JWT believes the straight line projections made by the Census Bureau must be tempered by an awareness of attitudes and the uncertainty of the times. And as the baby boom generation matures, she suspects a need for increased togetherness will emerge. "In 10 to 20 years, we could go back to such older structures as the extended family, or communal living arrangements. There will be fewer young people in the population then.

"We see that living alone is not a healthy way of being. In the future we may not have Social Security and may need new forms of shared expenses. And thinking about the degree of self involvement we have experienced and witnessed, I think there will be a move away from narcissism toward more sharing. This need hits people as they get older. We could see things change

Continued on page 155

## SINGLES BOOM (from 72)

as dramatically in the next 10 years as they did in the previous 10 years."

Both see the packaging and advertising done by Stouffers as exemplary responses to the growing singles market as it currently stands. Ms. Gilson suggests that the growth in single households should give "a boost to appliances and furnishings sales." She also believes that singles often see a condominium purchase as a hedge against inflation.

In package goods, "There is a need for smaller sizes in cleaning and paper goods as well as packaged foods. Otherwise there is likely to be a longer repurchase cycle. In smaller households I think people are more careful with their goods. And the burden of survival falls on one person," which she thinks eats into leisure time.

In automotive, she wonders how many people will want big cars and station wagons, when there are fewer, if any, children to transport, and only one person to shop for.

Dr. Holtzman sees a need for more half portions in prepared foods. "Few products are marketed to the single person as such. The selling of commercials and ads is done in a social context."

And even if people return to group living arrangements, she thinks that individualized food packaging will find a permanent place. "I think people living in groups will want more individualized preparations of food," she says.

Ms. Holtzman also cites Corning's single service casserole dishes, Grab-it, Solo and Side-Kicks, as an appropriate response to the situation. "While at the DKG agency, I was able to see that these dishes appealed as much to married woman as they did to single men; there was a great appeal to people whose life styles are fragmented," she says.

A similar view is taken by Karen Olshan, manager, special projects, and Michael J. Drake, senior vp. director of media planning services at BBDO. While singles are a dominant force among today's consumers, their dominance in demographics is likely to wane, in Ms. Olshan's view.

**Edith Gilson of JWT expects to see a return to extended family living — perhaps in communal groups.**

"You must be careful in extrapolating," she said, by way of a disclaimer, but went on to observe that if the divorce rate were to continue at its present rate of expansion, "the divorce rate will exceed the marriage rate by the year 2020."

Rather, she sees the current bulge in singles as a demographic singularity spawned by the post-war baby boom. "I don't think we can expect the increase in singles to continue although singleness has become an accepted status in our society. The growing expense of housing will slow the trend, and the baby boom peak will pass by."

As to how marketers can respond to the current singles bulge, Ms. Olshan says, "In acknowledging the existence of the singles market, marketers may look at it in terms of product development, packaging, media and creative. Our clients are aware of the singles market. How they are treating it varies from one product category to another."

Michael Drake finds the syndicated data shows that singles media habits trend toward magazine reading and radio listening, and away from tv viewing, save for late fringe, and newspaper reading.

But he notes that those tendencies are true for the overall 18 to 34 age demographic as well as singles.

A succinct summary of the singles situation was put forward in a recent issue of *American Demographics:* "The singles population will probably not continue to grow as a percentage of the total population if the fairly consistent relationship between the percentage of singles and the percentage of young people continues. The number of 14 to 17 year olds began to decline in 1975. By 1985, the entire 14 to 24 age group will be shrinking. The percentage of widowed already seems to have stabilized.

"Further increases in the number of singles, therefore, will depend on more divorces. But some demographers attribute the recent deluge of divorces to pent-up demand following liberalized attitudes and laws regarding divorce. The size of the divorced population also depends on the rate of remarriage, which does not seem likely to slow. Marriage is still the preferred state — at least in the ideal."

*Fred Gardner*

**CABLE**
**by BEVERLY O'MALLEY**
vp, associate media dir.,
Dancer Fitzgerald Sample

## The hardware and software of cable demographics

One of the more intriguing factors about cable is that it is both downscale and upscale.

Basic cable audiences on the surface are really quite demographically average; it's the pay cable household that is harboring the heaviest user groups of so many advertisers' products. While it is clear that *all* cable will become more like the norm as penetration increases, hardware or technological factors are just as much a part of current cable audience delivery as the software or programing being carried.

The demographic desirability of the pay cable household (a little over half of all cable households) is quite significant versus the basic cable household (see box).

Advertiser-supported basic cable would appear to reach the same audience as conventional tv. But the pay cable household has something special about it in terms of larger, younger, more affluent families with over 28% more hours of weekly television viewing. This is true if one looks only at the hardware side of the story; but it is not necessarily true if we select carefully specific programing environments that are well received in the pay cable household. Both the hardware distribution and the development of software for cable are giving advertisers very unique buying opportunities.

### First, the hardware

Quite a few of the cable networks, particularly those which have had to launch in the new-build systems, penetrate above the norm in pay cable households. Of particular note:

| | | Per cent pay subscribers |
|---|---|---|
| CNN | Cable News Network | 80% |
| ESPN | Entertainment & Sports Program Network | 70 |
| MTV | Music Television | 87 |
| TWC | The Weather Channel | 80 |
| USA | USA Network | 77 |
| WTBS | Turner Broadcasting superstation | 61 |
| | **Average all cable:** | **53%** |

Source: Individual cable networks.
Others unable to provide information.

On this basis, cable is nothing more than the hardware or the delivery system whereby *more* programing can get into the pay household. How successfully that programing competes for the viewer's time is the challenge of cable.

About two-thirds of all cable systems still have only 12-channel capacity. Increased channel capacity comes

**Household demographic profile**

| | Non cable | Basic cable | Pay cable | Pay cable increases over non-cable |
|---|---|---|---|---|
| HH income $25M+ | 30% | 31% | 44% | +47% |
| HH size 3+ | 45 | 47 | 59 | +31 |
| HOH 18-34 | 30 | 29 | 41 | +37 |
| HOH 18-49 | 55 | 53 | 74 | +35 |
| HOH att./grad. college | 33 | 35 | 37 | +12 |
| **Hours tv usage/week** | **44.58** | **44.25** | **56.88** | **+28%** |

SMRB 1981, NTI, 1981-82

"Telling them that 50.9% of the total subscribers to HBR are members of boards of directors got their attention."

HBR is impressive, and so are its numbers.

Harvard Business Review

New York, NY (212) 972-0740
Boston, MA (617) 495-6182

first with the newer systems now being wired in the major cities/suburbs, and then more slowly with the upgrades of older rural systems. For some newer cable networks, there is no place to go except in the urban new-builds — where cable analyst, Paul Kagan, reports pay cable subscribership runs in some cases well over 80% of basic cable signups. That makes urban/suburban cable demographically very attractive!

### The Software

Cable *is* television, and will only be as good as the programing it delivers —programing that people want to watch. There is no right or wrong as to whether it is broad or narrow in its appeal. Whether mass-oriented (WTBS), or targeted (like MTV or ARTS or Black Entertainment Television), or just plain alternative programing (like USA OR CNN), cable programing that can demonstrate delivery of a viewing audience, large or small, downscale or upscale, can attract advertisers as well, according to specific product needs.

Over time, the hardware will disappear as an issue in cable distribution and we'll be left with programing. The short-term opportunity will give way to the more lasting, fundamental one of supporting demographically defined programing environments for specific product messages.

But in the meantime those cable networks that can demonstrate *both* hardware delivery *and* audience viewing in pay cable households should have an edge on advertising dollars. They have a foot in the door of the demographically elite. ■

We're Kelo-land tv. Our ADI No. 1's come in bunches!

In nationwide Arbitron Sweeps!

#1 LATE NEWS (Women 25-54). 61 share.
#1 LATE NEWS (Total Households). 62 share.
#1 EARLY FRINGE (Total Households). 45 share.
#1 TOTAL DAY (Women 25-54). 47 share.
#1 TOTAL DAY (Total Households). 45 share.
#1 LATE NEWS CBS (Total Households). 62 share.
#2 EARLY FRINGE (Women 25-54). 44 Share (tie).

We sweep your message through this 91-county market!

A CBS AFFILIATE

kelo·land tv

KELO-tv SIOUX FALLS, S.D.
and satellites KDLO-tv, KPLO-tv

Source: Arbitron Sweeps, May 1982.
Above estimates include all time slots and demographic information in equal facilities markets as analyzed by TV/Radio Age. Survey data estimates subject to usual qualifications.

Represented nationally by SELTEL In Minneapolis by WAYNE EVANS

**RADIO**
**by DAVID C. LEHMKUHL**
vp., group media director,
N W Ayer, Inc.
New York.

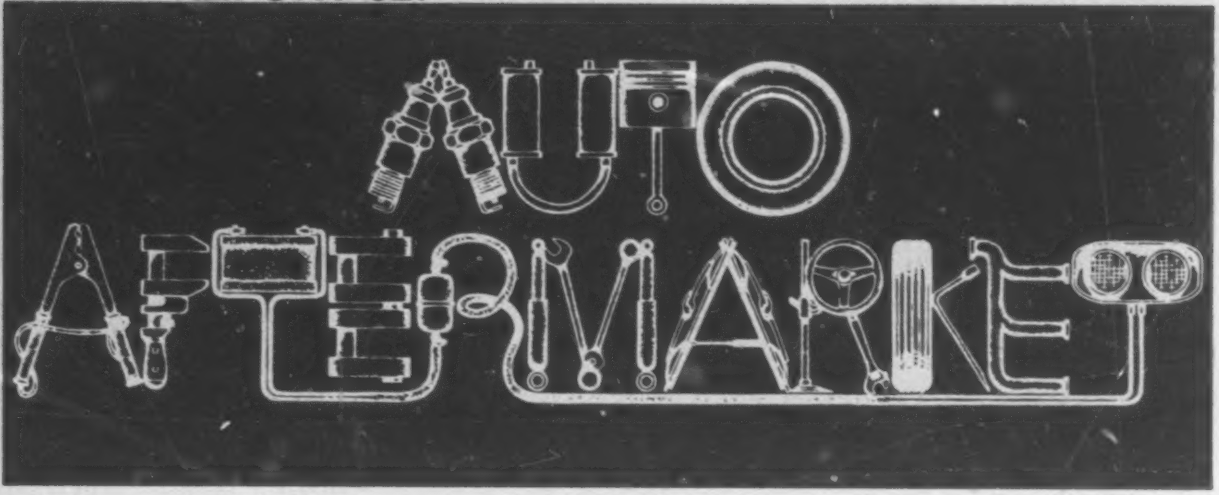
## I hate radio!

Now don't get me wrong; as a *consumer* of media I love radio and the cornucopia of listening delights that it offers.

No other medium is quite so flexible and so able to adjust to my changing moods and changing informational needs throughout the day as radio. Radio, you see, can be as broad or as narrow as I want it to be — no other medium offers that.

What other medium can give me music, news, weather, talk, lousy jokes, traffic/mass transit reports, and baseball and football scores (when there are baseball and football seasons on which to report) while I am getting ready for work? When I crave a sports

# BRAND REPORT 82:



**As people try to hold onto their aging clunkers for as long as possible, the result is rapid growth in do-it-yourself auto repairs and mass merchandised brake, battery and tire installation services. A 3% increase in the total number of vehicle miles has also equalled a good year for the replacement tire market.**

It's an industry that could have coined the expression: "one man's loss is another man's gain," especially when it comes to spark plugs, fuel filters and rotors.

With the age of the average passenger car estimated at 6.9 years, a 25% gain in the past twelve years, car owners are unhappily finding that their aging clunkers simply aren't as fit as they used to be. As a result, the auto aftermarket is booming.

With 1980 retail sales totaling $46.2 billion for replacement parts and tires, the Automotive Aftermarket Research Council predicts a growth rate of 5.2% over the next five years.

To stand out in a highly competitive market, major advertisers spent over $140 million in 1981 (8-media totals compiled from Leading National Advertisers, Media Records and Radio Expenditures Report.

The main purchasers of aftermarket products are do-it-yourselfers with cars in the 2-10 year-old age range. As car labor costs continue to rise and car parts for both imports and domestic cars become more readily available, this sector of the aftermarket continues to enjoy the most rapid growth. In fact the Automotive Parts & Accessories Association estimates that over 60% of all car-owning households perform some maintenance on their vehicles.

## View From Wall Street

Although the do-it-yourself trend has been strong in the past few years, Bruce Jordan, auto parts industry analyst for Merrill, Lynch, Pierce, Fenner & Smith predicts that as cars become more sophisticated with the latest electronic equipment to make them more efficient and reduce emissions, the backyard mechanic will no longer have the know how or specialized diagnostic equipment necessary to repair them.

Says Jordan: "I think the curve of do-it-yourselfers is in the process of flattening out. Potentially, we're facing a decline in the percentage of product that is sold to this market."

However, before their aging, old-style cars roll over and die, do-it-yourselfers are trying to breathe new life into them without the help of trained mechanics.

According to the Automotive Suppliers Industries Association, the best selling after market parts are those required for tuneups such as resonators, mufflers, pipes, spark plugs, batteries etc.

The aftermarket distribution system consists of a complex network including 22 different channels from the manufacturer to the car owner. In addition to the traditional distribution channels — manufacturer to distributor, to jobber, to service station, to car owner — today's aftermarket also includes tire, battery and accessory stores, auto supply chains, specialty repair shops, mass merchandisers, discounters, hardware and even drug stores.

To reach the car owner who is not a do-it-yourselfer, mass merchandisers such as Sears, K-mart and a host of others are offering sales and installation of batteries, tires, brakes, mufflers.

Notes Jordan, "There are several

## Media dollars of biggest TBA spenders

| ACCESSORIES | Magazines | Network tv | Spot tv | Network radio | Outdoor | Spot radio | Newspapers | Total |
|---|---|---|---|---|---|---|---|---|
| Champion | $ 180,000 | $ 4,352,000 | $ 123,000 | $106,000 | $ 100 | $ 1,000 | $428,000 | $ 5,190,000 |
| AC-Delco | 14,000 | 1,795,000 | 2,000 | — | 9,000 | 4,029,000 | 149,000 | 5,998,000 |
| Fram | 318,000 | 2,609,000 | 225,000 | — | 27,000 | — | 233,000 | 3,412,000 |
| K-mart | — | 5,747,000 | 1,669,000 | — | — | — | — | 7,416,000 |
| Midas | — | 8,497,000 | 6,192,000 | 254,000 | 2,000 | 3,605,000 | — | 18,550,000 |
| Monroe | 1,268,000 | 1,722,000 | 19,000 | 166,000 | 100 | 7,000 | 30,000 | 3,212,000 |
| NAPA | 378,000 | 2,415,000 | 1,164,000 | — | 18,000 | 351,000 | — | 4,326,000 |
| Sears | 2,141,000 | 11,806,000 | 334,000 | 450,000 | — | — | — | 12,533,000 |
| Total | | | | | | | | 60,637,000 |
| **TIRES** | | | | | | | | |
| B.F. Goodrich | $5,724,000 | $ 1,128,000 | $ 274,000 | — | $ 10,000 | — | — | $ 7,135,000 |
| Bridgestone | 1,231,000 | — | 3,796,000 | — | 165,000 | $ 61,000 | — | 5,226,000 |
| Firestone | 437,000 | 9,998,000 | 256,000 | — | 22,000 | 88,000 | — | 10,801,000 |
| General Tire & Rubber | — | 2,366,000 | 1,130,000 | $178,000 | 199,000 | 2,655,000 | — | 6,529,000 |
| Goodyear | 1,699,000 | 14,531,000 | 9,439,000 | 740,000 | 211,000 | 17,000 | — | 26,637,000 |
| Michelin | 1,516,000 | 9,506,000 | 1,799,000 | — | — | 111,000 | — | 12,932,000 |
| Uniroyal | 1,442,000 | — | 2,871,000 | — | 200 | 572,000 | — | 4,885,000 |
| Total | | | | | | | | 74,145,000 |

benefits for mass merchandisers to offer these types of services. They sell you their parts and they also build store traffic. After all what else is there to do while you're waiting 45 minutes to have your tires put on or battery installed but to walk through the store and buy something."

In addition to mass merchandisers, domestic car manufacturers reeling from an on-going decline in new car sales have also jumped onto the aftermarket bandwagon by touting their dealership service stations.

Statistics tend to show, however, these manufacturers are playing against unfavorable odds. Seventy-seven percent of domestic car owners never return to their original dealers for servicing after their warranties expire.

Industry observers reason that people have always had a distrust for the service departments of their car dealerships. They've found that they can get the same work done cheaper with the same parts by a service station mechanic or the guy down the street.

To counteract this impression and resurrect a long lost quality image, General Motors with its Mr. Goodwrench program and other auto manufacturers have been launching aggressive advertising campaigns.

### Replacement tire sales

Replacement tires are yet another important growth area for the auto aftermarket.

Says Saul H. Ludwig, analyst, Roulston & Co, "The tire aftermarket has held up quite well in this economy mainly because of the hard fact that people are driving more."

According to the Department of Transportation's most recent statistics, there has been a 3% increase in the total number of vehicle miles driven this year.

Another main factor affecting the tire aftermarket is the decline in new car sales. As a result, original equipment tire sales are down to $36 million compared to a peak of $57 million in 1978.

And due to an oversupply, manufacturers have been unloading tires onto the replacement market at huge discounts.

Says Saul Ludwig, "Price cutting is definitely going on, particularly in truck tires.

According to one industry source, Goodyear leads the other tire manufacturers with a 30% share of the market followed by Firestone's 16% and Uniroyal's 11%.

The biggest trendsetter over the past few years has been Goodyear's introduction of an all-season radial tire which eliminates the need for twice yearly tire changes. In five years, sales of all weather tires have grown to 15% and are expected to account for a third of all car tires sold by 1987.

According to Leading National Advertisers, Media Records and Radio Expenditures Report, major tire advertisers spent a total of $74.1 million in 1981. Network tv accounted for $37.5 million, spot tv amounted to $19.5 million and magazines totaled $12 million. $9.1 million was spent in network radio, $3.5 in spot radio and the rest was allocated to outdoor and newspapers. Totals for newspaper coop, also an important category for tire advertising, are not available. Following is a brief on the current marketing and advertising strategies of 15 auto aftermarket leaders.

## ACCESSORIES

### Champion

"One of the biggest problems with selling auto parts is consumer apathy," comments Dick Kudner, vp advertising and marketing for Champion spark plugs. Kudner contends that "people are holding onto their cars longer, but they're not maintaining them."

A recent survey conducted by Champion indicated that more poeple had trouble starting their cars last winter than ever before. Also significant was a decline in the number of tune-ups and spark plug replacements.

To counteract the apathy problem, Champion stresses the benefits of both tune-ups and new spark plugs in its advertising.

Roughly half of Champion's ad budget goes into network tv and focusses exclusively on sports programing. This past fall, Champion ran spots during the world series and NCAA football games.

Cable buys include WTBS and ESPN for horse racing.

Special car care editiorials, supplied by Champion, will also appear in over 500 newspapers next year. Notes Kudner, "The special car care sections we do are second to bridal features."

Champion is also running an outdoor campaign on the West Coast to introduce its new "Copper Plus" plugs. Kudner notes that the Copper Plus is designed for small car problems such as hard starting and low-speed fouling. The ads are themelined, "New Copper Plus performance for Imports."

One of the reasons for this campaign is to clear up the misconception that Champion spark plugs are made only for larger American cars. Says Kudner: "Champion spark plugs are original equipment in more foreign-made cars than any other plug."

$1.8 million designated for magazines (according to LNA) goes into spreads and single pages in trade books such as *Motor Sevice, Service Station Management*, as well as magazines that reach service installers and parts wholesalers.

## AC-Delco

Best known for its batteries and spark plugs, this division of General Motors, geared to the aftermarket, also sells a wide range of other replacement parts including air filters, oil filters, thermostats, distributor caps, rotors etc.

"Our main advertising goal," comments Frank Alexander, associate advertising manager, "is to make consumers aware of all of AC Delco's products."

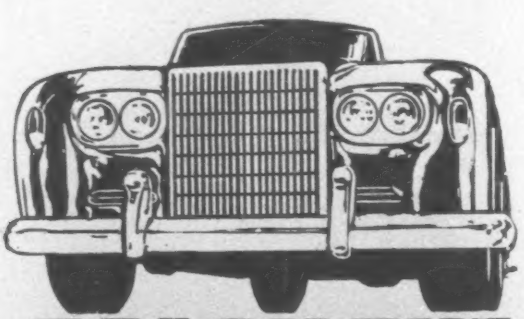
To do so, the company advertises heavily on network tv sports programing. Although Delco is not on spot tv, spot radio is used to supplement network tv buys.

To reach an 18-54 blue collar target in print, Delco advertises in car buff books such as *Car and Driver, Motor Trend, Car Craft, Popular Science, Mechanix Illustrated, Hot Rod* and *Road & Track*.

A variety of ads consist of combination product with bounce-back coupons for promotional items such as AC–Delco fender covers, his & her jackets and tune-up books.

Says Alexander: "We offer these promotional items to keep the Delco name top of mind, which is key to gaining a competitive edge over other replacement parts manufacturers.

Spreads are also placed in such trade books as *Distributor News, Aftermarket News, Jobber Warehouse Execu-*



**REACH THE MEMPHIS MARKET**

New and used car dealers in Memphis and Shelby County rang up more than $8.2 million in sales during 1981, according to the Department of Revenue. Tap this buying market by using the Memphis newspapers to reach 72% daily (84% on Sunday) of adults in the Memphis SMSA who have shopped for automobiles in the past 30 days.

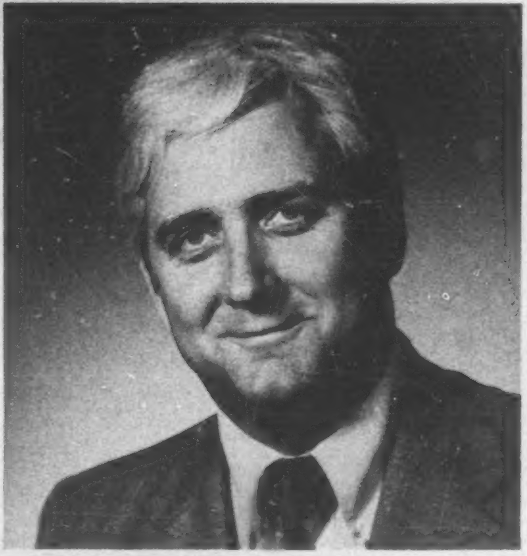
Memphis is a Newspaper Market.

The Commercial Appeal / Memphis Press-Scimitar

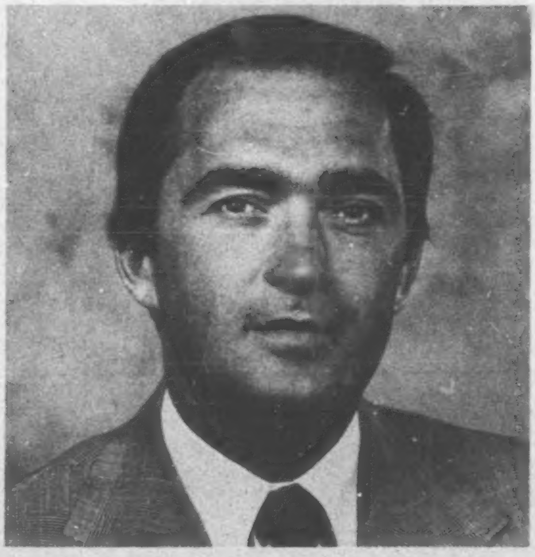
National Advertising 901-529-2239
MEMPHIS PUBLISHING COMPANY
495 Union, Memphis, Tn. 38101

SCRIPPS-HOWARD NEWSPAPERS Represented Nationally by Story & Kelly-Smith Inc.
Mid-South Magazine Represented Nationally by Metropolitan Sunday Newspapers
*Urban & Associates, 1981

**Dick Kudner,** vp advertising and marketing (Champion) notes that people are holding onto their cars longer, but not maintaining them.



**George Drop,** manager, media services says that Goodyear is re-evaluating its media selection.



**Gerald R. Kerr,** director of advertising, sales & marketing operations, Firestone Tire & Rubber Co., is concentrating ad dollars on the firm's all-season tire.

*tive, Jobber Retailer* and *Warehouse Distributor*.

Newspapers are used periodically for special promotional offers done on a market-by-market basis.

According to Leading National Advertisers, RER and Media Records, AC–Delco's 1981 eight-media total was $5.9 million. Alexander reports that actual expenditures were somewhat higher and the 82-83 ad budget increases were in the 15-20% range.

## Fram

According to Peter Monsarrat, sales promotion manager for Fram filters, wipers and spark plugs, "We stress the consumer benefit of our products. We recognize that every person isn't interested in reading our advertising, much less interested in the product that we're trying to sell. They probably don't even like the fact that we're trying to interfere with whatever they're trying to do. So first we get their attention and let them know what's in it for them," says Monsarrat.

Targeted to men 18-49, Fram's network tv buys tend to be sporting events. This past fall Fram ran spots during the World Series, as well as *Wide World of Sports* and basketball programing.

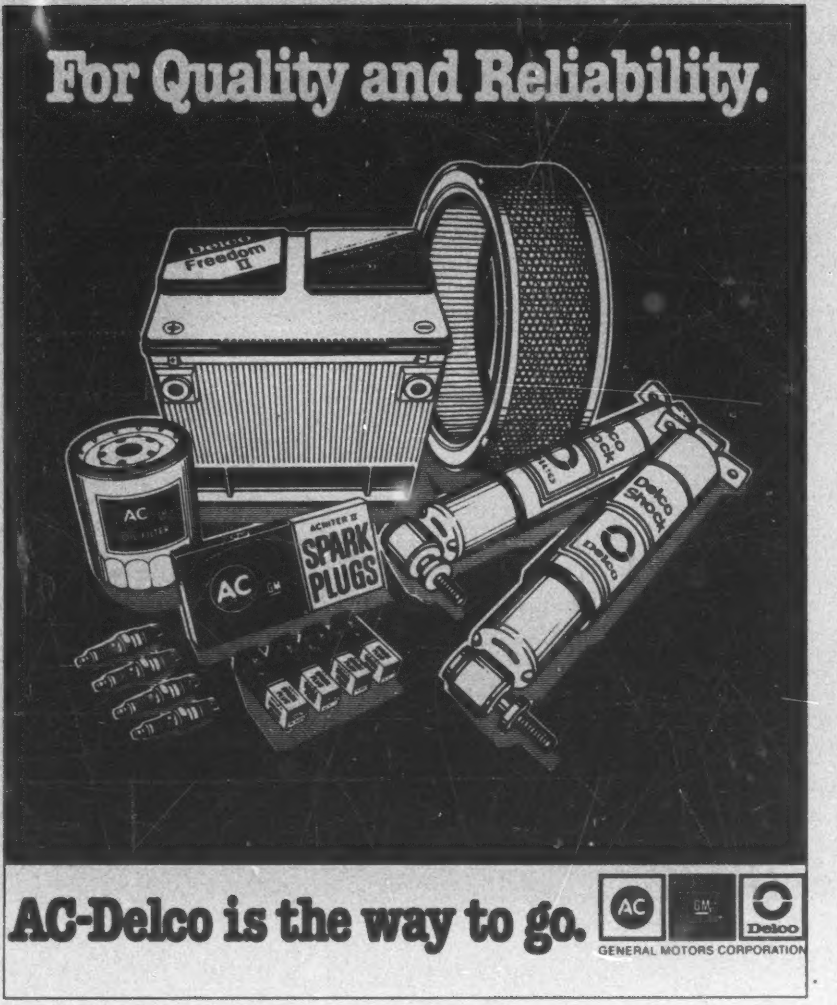
Fram also sponsors syndicated programs. Says Monsarrat: "Syndication can offer us some real bargains." In addition to buying time on pre-packaged syndication shows, Fram produces its own programing such as the national automotive tv quiz.

Fram runs 60-90 day flights in 12-15 markets per year to promote products in areas that show sales potential. Monsarrat notes that Fram is budgeted to do a flight this coming spring; the market has not yet been announced.

Fram's magazine schedule includes buff books such as *Road & Track, Popular Mechanics, Popular Science,* and *Hot Rod*.

The company's coop schedule is comprised of 70% newspaper, 20% radio, 5% tv and 5% outdoor.

Says Monsarrat: "We don't have an advertising agency. Everything we purchase is on an a la carte basis. We use one agency for consumer creative, another for buying, another for public relations.


For Quality and Reliability.
Delco Freedom II
AC
SPARK PLUGS
Delco Shock
AC-Delco is the way to go.
AC
GM
Delco
GENERAL MOTORS CORPORATION

**AC-Delco is broadening its product line** from spark plugs and batteries to a wide variety of aftermarket items.

He comments further that LNA's 8-media total for 1981, $3.4 million, was about half of what the company actually spent.

## Mr. Goodwrench

The Mr. Goodwrench campaign out of GM Parts Division is not tied to a particular product. It was introduced in 1974 to advertise the quality of GM parts and service and increase traffic in dealerships.

According to a company spokes person, "We noted a definite trend away from getting cars repaired at dealerships. The customer perception was that he could get it done at a gas station for a better price, better quality and extra convenience." The Goodwrench campaign was developed to turn this widespread perception around.

The program is advertised on all three network tv stations. Buys include sports and evening news shows that are targeted to car maintainers.

The Goodwrench print campaign includes ads in magazines such as *Time, Reader's Digest, People, Popular Mechanics, Southern Living, Sports Illustrated, Working Woman, US News & World Report, Sports Illustrated, Field and Stream, Popular Science* and *Better Homes & Gardens*.

## K-mart

To compete with Sears and GM's Mr. Goodwrench, K-mart introduced the K-care program, a full line of battery, brakes and tires installation services.

This campaign is advertised on network tv, in magazines such as *TV Guide, Reader's Digest* and *People* and extensively in newspapers.

A company spokesperson says the K-care campaign is primarily targeted to males, but does not ignore females. We have testimonial advertising from both men and women.

This month the chain is scheduled to run a preprinted newspaper insert that will feature auto tools, parts and accessories.

According to Leading National Advertisers, K-mart's 8-media total for auto parts and accessories advertising was $7.4 million in 1981. When asked to give a ballpark figure for 1982, one company executive replied, "Our overall ad budget has been chopped significantly."

## Midas

"The problem with marketing and advertising mufflers and items in our product category is that they're not an immediate impulse buy. If we run an ad, it doesn't mean that customers will come into our shop tomorrow," says Charles Graziano, ad director.

He continues, "As a result, we have to be top of mind all the time, and our media has to be spread out consistently throughout the year."

Hoping to turn its $18 million advertising budget into gold, the Midas Touch campaign runs almost exclusively on network tv.

The target audience for this retailer that specializes in exhaust, suspension and brakes, is adults 25-54.

Graziano explains, "We try to reach both men and women. While 60% of our customers are women, the decision makers are still primarily men. However this proportion has been changing over the years with the increase of single women responsible for maintaining their own cars.

Network tv buys include a combination of sports, primetime and late fringe programing. In trying to appeal more heavily to women, Graziano notes that there has been a slight shift away from primetime and more of an emphasis on sports.

ALL-SEASON. ALL-TERRAIN.
ALL-POSITION. ALL-GOODYEAR.

Wrangler All-Season Light-Truck Radial.

With Wrangler, Goodyear has redefined the light-truck tire. An aggressive, self-cleaning tread. Plus longer tr[illegible] life, greater strength, and a flatter footp[illegible]an our bias-ply tires. And the fuel economy [illegible]pect from a radial. You don't have [illegible] between highway performance and o[illegible]diness. You can get it all, with Goodyear Wrangler Radial. Available at your Goodyear Dealer or Store.

SPECIAL PRICE ON THIS WESTERN COAT WHEN YOU BUY WRANGLER RADIALS.

Buy a set of four Wrangler Radials and we'll sell you this rugged western coat for just $13. Or it can be yours for only $26 with the purchase of two Wrangler Radials. See your participating Goodyear Dealer or Store for details. Offer good for tires purchased before March 31, 1983.

**All-season radial tire sales** have increased 15% in the past 5 years.

Midas is also in spot tv in roughly 200 markets. Says Graziano, "We find that spot tv gives us more flexibility while network provides an overall corporate umbrella.

Spot radio is purchased during morning and afternoon drive times to supplement tv.

In addition to broadcast, Midas has been experimenting with magazines this year to promote its brake capabilities. Ads were placed in *Sports Illustrated* and newsweeklies (*Time, US News & World Report, Newsweek* etc.)

Midas also ran ads in buff books such as *Hot Rod* and *Car Craft* targeted to males 18-25 for the Turbo/King and Wild Glass pack mufflers.

Graziano notes that the company's $18 million ad budget for 1981 was increased 15-20% this year.

## Monroe

To tell small car America about the softer ride it can get from Monroe shock absorbers, this company is spending $3.2 million (according to LNA) on a media mix that consists of 60% network tv, 20% consumer print, 10% radio and 10% newspapers.

Targeted to men 18-49, network tv buys are exclusively in sports programing. Fall '82 buys included sponsorship of the big ten college football games.

In addition to network tv, Monroe is planning to expand its sports programing buys on cable for 1983.

Monroe has also gone more heavily into print in the last few years. Ads themelined, "The Bump Stops Here," appear in consumer print books such as *Time, TV Guide, Newsweek, Sports Illustrated* as well as vertical buff books including *Hot Rod, Car and Driver, Motor Trend, Popular Science* and *Hunting*.

Newspaper buys are in the top 60 markets. An extensive coop program includes all media.

According to Mike Sucharda, director of advertising and sales promotion, Monroe's 1983 budget will be in the $7-10 million range, an estimated 20% increase over 1982.

## NAPA

"When the name is NAPA the standard is quality," is the theme of the National Automotive Parts Association, which is comprised of several corporations.

"There are two main components to NAPA's advertising" says Tim Matthews, president of Matthews, Muhleman & McClean, NAPA's agency.

He says, "We try to influence the do-it-yourselfer to use NAPA parts," he says. "We also try to get car owners who use professional services to go to places that use NAPA parts."

Primary audience consists of blue collar men 18-49. The secondary audience is people responsible for maintaining their cars. "We realize that women are beginning to fit into this mold, says Matthews, "so in addition to sports programing, spots also run on early and late fringe as well as some prime. Spot tv is used to supplement network in 150 markets.

Radio is the primary medium for coop advertising. NAPA supplies ads to dealers in the form of tapes, as well as scripts on a 70/30 basis.

Says Matthews about cable tv: "We're watching it very closely, especially ESPN, but we haven't made any commitments to buy as yet.

He explains one of the problems with using cable is that all the NAPA owners are required to contribute to the cost of advertising and "since we can't get 97% coverage with cable it would have to be supplemented. However, he notes, as cable coverage expands, it's becoming more attractive to us."

NAPA's print schedule includes service repair trade books such as *Motor* and *Motor Age*. *Road & Track*, *Motor Trend*, *Car and Driver* and other buff books are targeted to a younger blue collar audience while ads in outdoor books such as *Field and Stream* are designed for an older, more upscale audience.

Matthews comments that LNA's $4.5 million expenditures for 1981 are "about right". The 1982 budget was increased by a small amount.

### Sears

While people continue to lose confidence in car dealerships, they're gaining confidence in Sears and the service it offers."

So says Paul Vernon, senior vice president, Foote, Cone & Belding/Chicago, Sears' agency for automotive parts and service.

Sears primary target audience is men, 18-54. "However," says Vernon, "We're also reaching women, a growing portion of our target audience, through primetime network tv."

Similar to other auto parts manufacturers, Sears places a heavy emphasis on network sports buys. This fall included World Series sponsorship as well as a variety of others sports programing.

Print advertising is used for image building and sales promotions. Ads themelined "We instill confidence" appear in newsweeklies as well as a host of other consumer magazines.

Newspaper ads, purchased on the local level, appear every Wednesday and Sunday.

According to Vernon, major advertising emphasis in all media will be placed on Sears introduction of all-season Road Handler radials later this year.

Leading National Advertisers reports that Sears' 8-media totals for 1981 were $12.5 million.

## TIRES

### Bridgestone

Having garnered 28% of the Third World market, this Japanese-owned tire company has moved to the number four spot among world tiremakers and is rapidly setting its sights on the U.S. market.

Industry sources predict that the company's recent acquisition of Firestone's truck radial plants in Nashville will be the first of many plants in the U.S. and will help the company gain a greater share of the truck radial market.

To advertise its Super Filler tires, Bridgestone launched a network tv campaign for the first time this year. Spots with Lee Trevino were aired on early and late news including ABC's *Nightline*. The firm also sponsored the Glen Campbell Los Angeles

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Open Golf Tournament, the World Women's Tennis Doubles, and plans to sponsor the 1985 Olympics.

According to Pete Folger, management supervisor for Bridgestone at Dancer Fitzgerald Sample/LA, print is used to build Bridgestone's corporate image as well as convey technical information. Four-color ads are placed in newsweeklies, lifestyle and buff books including *Time, Newsweek, Sports Illustrated, Playboy, Road & Track, Car and Driver* and *Hot Rod*.

Radio spots targeted to long-haul truckers are aired on all-night channels.

Bridgestone also budgeted $6 million coop advertising this year. The company pays 75% of the advertising costs and supplies independent dealers with tv spots, radio scripts, outdoor boards etc.

According to one company source, Bridgestone's 1982 advertising budget was increased by 60% over the previous year. LNA, RER and Media Records report Bridgestone's 8-media total for 1981 was $5.2 million.

## Firestone

According to Gerald Kerr, director of advertising, Firestone has been placing a major portion of its ad dollars on the 721 Metrix, an all-season tire for downsized American annd Import cars, as well as the Trax 12, also an all-season tire.

The fall campaign for the 721 Metrix included spots on all three tv networks. Firestone's print campaign consisted of three consecutive one-third pages in broadbased books such as *The New Yorker, Sunset, Cosmopolitan* as well as buff books like *Road & Track* and *Car and Driver*.

Cable buys include sports programing on ESPN and WTBS's *Motor Week Illustrated*. Spots on these stations advertise high performance tires such as the HPR, Radial ATX truck tires and the SS Radial.

According to Kerr, newspaper ads are in 300 plus SMSA's and usually appear 2-3 times weekly.

Unlike most other tire companies that distribute mainly to independent dealers, Firestone distributes to 1400 company-owned stores as well as 3500 independent dealers. Although the company does not have a coop program per se, dealers contribute to the overall cost of advertising which is handled by the manufacturer.

Says Kerr, "We feel that controlling the advertising under one roof gives us a better handle on how frequently to advertise, how large the ads should be, pricing etc."

> **"General Tire, says a company spokesperson, made the mistake of getting into the original equipment tire market several years ago."**

Firestone spent $10.8 million (LNA, Media Records, RER) in 1981, however this figure does not reflect newspaper coop expenditures, which are not listed in Media Records.

## General Tire

Although General Tire & Rubber Company spent $6.5 million in 8-media totals, according to LNA, Media Records, RER in 1981, the company's ad budget was slashed earlier this year and commercials were pulled from network and spot tv.

According to a company spokesperson, General Tire's main problem is that it made the mistake of getting into the original equipment tire market several years ago, which is presently suffering from a decline in new car sales.

Looking ahead, one ad executive notes that plans are in the works for a spring flight on network tv and spot in 28 markets. The company is also formulating plans for print and radio buys.

## B.F. Goodrich

B.F. Goodrich is one of the few tire companies not using network tv for national advertising. According to Bob Kilpatrick, manager of Goodrich's tire group, "We've found that network tv is too broad in reach. We prefer to select media that is narrowly targeted to the seven marketing niches we've defined for our products."

One such niche is known as the "conservative quality buyer." This group is characterized as high income, premium whitewall purchasers, the most likely candidates for Goodrich's Advantage TA tires. The conservative quality buyer is reached through magazines such as *Golf, Time* and *Business Week*.

Goodrich also targets its advertising to six other marketing niches. To reach these groups, the company uses a variety of magazines including in-flight books, business books such as *Fortune* and *Business Week*, vertical buff books such as *Car and Driver, Motor Trend, Hot Rod, Car Craft* as well as lifestyle and sports-oriented books such as *Field and Stream, Playboy, Skiing, Sports Illustrated, Tennis World* and *Tennis*. Goodrich also advertises in books such as *Cosmopolitan*, although copy is not specifically tailored to women.

"Positioning is also very important to us," adds Kilpatrick, "we prefer our ads to be near the front of the book."

Goodrich's retail budget, which accounts for roughly 5% of the company's ad budget, is comprised of 50% coop, the rest goes toward in-store promotions and point-of-purchase advertising, according to George Aufmuth, manager of sales and marketing.

Fifty five percent of Goodrich's retail budget goes into newspapers and 45% into broadcast (75% radio, 20% tv). A small percentage of ad dollars are also placed in outdoor.

Says Aufmuth, "Outdoor has grown, especially on the West Coast where boards are placed in high visibility locations and motorists are more sensitive to them than on the East Coast.

Similar to Firestone, BF Goodrich has company-owned stores, but also distributes through independent dealers.

To stand out from the other brands, Goodrich offers independent dealers incentive and motivational programs, retail sales force training, as well as point-of-purchase traffic building items such as quilted, lined BF Goodrich jackets.

LNA reports that Goodrich's 1981 eight-media expenditures totaled $7.1 million. However this does not account for newspaper totals, which are unavailable.

## Goodyear

With the help of a revitalized product development effort, improved quality and an extensive advertising budget, Goodyear has managed to stave off competition from Michelin, Bridgestone and a handful of other companies all hungry for a larger piece of the tire market.

Despite a severely depressed world tire picture, Goodyear's sales increased 8% in 1981 to a total of $9.2 billion.

Partially responsible for Goodyear's growth are the introduction of quality heavy-duty truck radials in a market where there was a great need for improvement.

The introduction of Goodyear's all-season radial tires, the Tiempo and Arriva, has also been an important feather in Goodyear's marketing cap. In the past five years, all season tires have grown to 15% of the US passenger tire market and are expected to comprise one third of the market by 1987.

By far the largest tire advertiser, Goodyear spent a major portion of its estimated $25 million ad budget for 1982 in network tv.

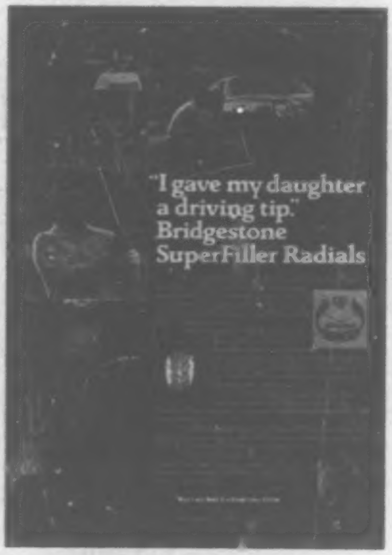
"However," notes George Drop, manager, media services, "we're starting to re-evaluate the big numbers concept in advertising. As we attempt to reach more narrowly targeted groups, what we call attitudinal segments, we will probably be using more narrowly targeted media in the future."

Goodyear is also doing some serious rethinking about its target audience. Notes Drop: "Historically Goodyear has targeted to men 18-54, but we're re-evaluating this strategy as a result of the marked increase in women responsible for maintaining their own cars."

At present Goodyear is hoping to reach women through its network tv buys that include sports, news and prime scatter. Cable includes buys on CNN, USA and ESPN on a network and spot basis.

Spot tv is also purchased in 80 markets (news, primetime, early fringe and late fringe) to support retail newspaper activity. Drop notes that Goodyear's extensive coop advertising program includes ads in over 700 newspapers, usually in the daily sports sections.

Goodyear also uses all dayparts of network radio to support local retail advertising. Radio spots, advertising Goodyear's Wrangler tire, are directed to 18-35 van and light truck owners.



**Print ads are used** to build Bridgestone's corporate image and convey technical information.

Print ads in lifestyle books such as *Field and Stream, Outdoor Life* and *Popular Mechanics* are also targeted to this crowd.

## Michelin

The innovative French tire company known for its sophisticated technology and outstanding quality is not as bright a star as it used to be.

New competition in the quality department combined with a depressed U.S. auto tire market have created some serious problems for Michelin.

Goodyear's introduction of an all-season radial tire five years ago has probably been the biggest thorn in Michelin's side.

Although the French tire maker is expected to introduce an all-season radial this year, notes Saul H. Ludwig, analyst for Roulston & Company, "Not having an all-season radial tire has probably hurt Michelin."

And though the company was originally able to charge premium prices for its quality truck radials, to ward off competition and increase sales, Michelin had to join the ranks of price slashers in the U.S. auto market.

The main problem for Michelin, industry sources claim, is that it hasn't been able to keep pace with changing times.

However, Saul H. Ludwig contends that Michelin is changing. He says, "They've brought in some new people, for example a new sales vp, and they're in the process of making more changes to enhance their image in tire dealer networks."

Leading National Advertisers reports that Michelin spent most of its advertising budget in network tv in 1981 ($9.5 million) with the rest allocated to spot tv ($1.7 million) and magazines ($1.5 million). Eight media totals for 1981 were $12.9 million.

## Uniroyal

To attempt to gain a competitive edge over Goodyear and Firestone, its major rivals in the U.S. replacement tire market, Uniroyal has recently launched a Tiger Paw Plus campaign for its new all-season radial tire.

To reach men 25-54, Uniroyal aired spots on network tv this past fall. Programing included spots on news and sports shows such as *NBC Nightly News*, Saturday evening newscasts, *NBC's Sportsworld*, NFL pre-season football, primetime baseball and the PGA Hartford Open golf tournament.

To descirbe the Tiger Paw product in greater detail, Uniroyal runs ads in sports related magazines, as well as newsweeklies.

However, Uniroyal's biggest media expenditure is in newspapers. According to one company spokesperson, this past year Uniroyal spent more money in newspapers than spot and network tv combined.

LNA reports that 8-media totals in 1981 were $4.8 million. The heaviest expenditures were in spot tv ($2.8 million) and in magazines ($1.4 million) Newspaper totals are not listed in Media Records. For more on Uniroyal, see story on new campaign in *Decisions*' January, 1983 issue.

*Madeleine Dreyfack*

## MARKETING (from 137)

### News and Information

It should be obvious by now that the enormous audience potential of the news and or information format is not new anymore. Revenue potential, on the other hand, is not quite as obvious, due mainly to the high cost of producing news. Nevertheless, because of the enormous influence of technology on the production side of news, costs could conceivably be reduced to a point where higher cable subscriber penetration combined with price advantageous technology, should allow not only CNN I and II and SNC I and II, but also one or two more specialized news and information forms to survive.

### Sports

The area of sports programing is clearly the most competitive and explosive program form as it relates to the ultimate viewing spectrum of 1990. The dominant issue, certainly from the viewer's standpoint, is the question regarding the availability of "free" sports as we now know them. There is not a question, even with a 65% cable penetration and a DBS penetration possibly as high as a net 15-20%, that free sports will continue.

However, it is extremely doubtful that the major "front page" type sports and certainly the "blockbuster" events (World Series, e.g.) will be delivered via "free" television. The revenue potential of paid sports, nationally, regionally, locally, is too enticing not to materialize by 1990.

Initially, as soon as major metro areas, containing the overwhelming majority of major professional sports franchises, become available to cable subscription, cable systems will capitalize on the viewer's confirmed willingness to pay for major sports events — major league baseball, NFL football, NBA basketball, and even NHL hockey on a more restrictive, regionalized basis. The current standard for sports delivery is roughly 60-70% over-the-air, 30-40% cable-delivered.

Within the next two to three years, the dominant portion of both major league and even college sports schedules' pendulum will swing to the reverse proportion in terms of number of events delivered free vs. those delivered via cable and pay cable services.

As illustrated in the recent success of monthly fee and pay-per-view experiments such as the Tigervision test in the New Orleans area, which delivers a specific number of LSU sporting events, the local cable operator and the University itself, can generate far greater revenue than could possibly be delivered via ad-supported.

It would be naive to assume that other sanctioning groups (NCAA, NFL, NBA, et al) have not begun to implement national, regional and local pay subscription plans. The most vivid evidence of their trend to pay sports is the recent NFL strike. Pay revenues and who-gets-what is the key issue in the dispute and as the enormity of potential revenues comes into stronger focus, the squabbling is only going to intensify.

By 1990, the broadcast networks plus probably not more than one (ESPN) ad-supported basic cable service will deliver an extremely limited schedule of major league sports and a broader selection of lower-visibility sports, while at least three or four national and many more regional pay networks, STV, pay-per-view, and DBS services will soak the cable subscriber to the hilt.

As a matter of act, DBS itself will debut as a regional service by mid-summer, 1983. USTV, a joint venture partially financed by General Instruments, using medium power (50 ERIP/DBW) Ku-band transmission (Anik C-2), will distribute theatrical first run films, sports, news, and original entertainment to subscribr homes in the Northeast as early as July, 1983. The catalyst for such an early full-scale DBS test is the application of one meter (3 to 4 feet) receive-dishes which should be adequate to effectively receive the Ku-band signal. Both Comstat and RCA are somewhat further back in the DBS pack, but should begin testing sometime in 1986.

Additional more selective programing, shopping, banking etc. (cable) services will be available on a basic cable/ad-supported basis in 1990. A great deal of influence in the number and format of these services will be heavily dependent on both the cost of production, licensing fees for programing, vitality of ancillary distribution sources (VCR, disc, foreign broadcast, etc.), and possibly most important the participation of advertisers in developing and franchising program properties with these cable services.

The availability of advertiser-supplied software will have an enormous influence on the viability of both national and regional cable services. In effect, advertiser-supplied programing will determine the extent to which narrower, more selective, services will survive. In fact, with sufficient advertiser participation in the development of specialized prograing, not only will a reasonable number of ad-supported narrower audience services survive and flourish, but advertiser-owned/franchised cable services may actually materialize by the end of the decade. After all, geographic (local) and demographic (narrowly selective), programing was the dominant premise of the cable business in the first place.

**TELEVISION**
**by DAVID TRACY**
vp-media director, Young & Rubicam, Chicago

## Don't overlook regional viewing

The decision to use spot tv is accompanied by the task of determining where to advertise. This naturally presents the opportunity to assign vary-

Continued on page 184

TV from 141)

ing weight levels to markets based on analyses of category and brand sales, efficiencies and a host of additional factors. The ultimate objective is to provide the same level of reach and frequency to the markets in each segment.

Frequently overlooked is the variation in viewing preferences from one region to another. Consequently, priority markets may actually receive less weight then secondary or even tertiary markets. Another proof of the "a GRP isn't a GRP" theory.

An analysis of December Nielsen data reveals the following regional idiosyncrasies.

- Viewers in the East Central and Southern regions are at or above the national norm in all dayparts.
- West Central viewing skews late being above norm from prime through late fringe.
- Northeast viewing is at or above norm in early fringe, prime and late news.

Pacific viewing is above norm only in late fringe.

It's not suprising therefore to see signficant imbalances in the delivery of a plan where the same daypart mix is applied in all regions. For instance, a six daypart plan consisting of 430 household GRP's results in the following target audience reach and frequency:

| | Reach | Frequency | 5+ Reach |
|---|---|---|---|
| National Average | 91 | 5.9 | 43 |
| Northeast | 90 | 5.7 | 42 |
| East Central | 94 | 6.3 | 46 |
| West Central | 94 | 7.9 | 59 |
| South | 92 | 6.4 | 47 |
| Pacific | 87 | 4.4 | 30 |

Note the significant overdelivery in the West Central region and the underdelivery in the Pacific region.

With dollars held constant these imbalances can be corrected by varying total weight and the daypart mix from one region to another. One solution is shown the in box below.

It is not difficult to recognize regional viewing preferences when developing a spot plan. The pay-off is that our clients' advertising dollars work harder and the sale of their products or services have a more solid growth opportunity. ■

| | Household GRP'S per daypart | | | | |
|---|---|---|---|---|---|
| | NE | EC | WC | South | Pacific |
| Day | 65 | 80 | 60 | 85 | 75 |
| Early Fringe | 85 | 105 | — | 60 | 155 |
| Early News | — | 105 | 45 | 45 | 120 |
| Prime | 65 | 45 | 45 | 65 | [illegible] |
| Late Fringe | 80 | 55 | 115 | 95 | — |
| Late News | 80 | 45 | 110 | 70 | 65 |
| **Total** | **375** | **435** | **375** | **420** | **505** |
| Reach | 89 | 91 | 90 | 91 | 88 |
| Frequency | 5.2 | 6.3 | 5.5 | 5.9 | 6.2 |
| 5+ Reach | 40 | 43 | 41 | 44 | 41 |

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# MEDIA COST INDEX

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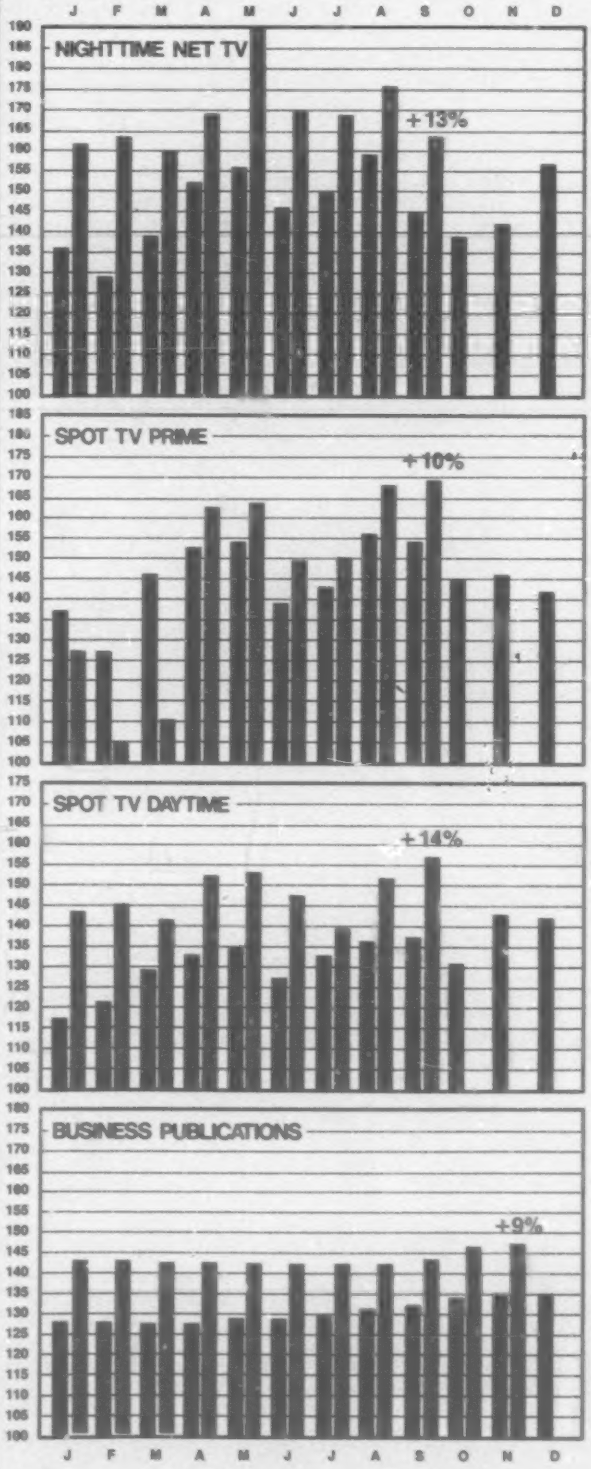
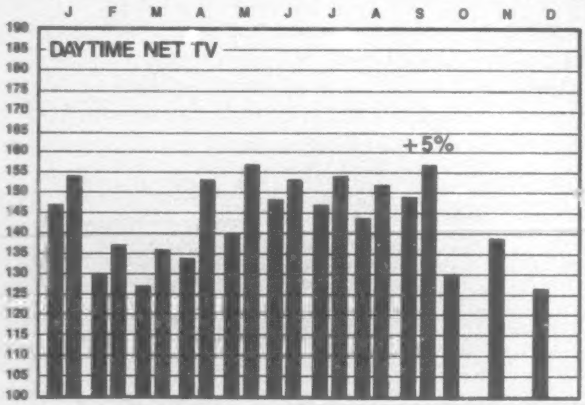




**Television** continued strong through the third quarter of 1982 and was able to maintain its rate increases — except in daytime network tv. Nighttime net was up 13% in September compared to the same month in 1981. Spot tv primetime was up 10%. Spot daytime was up 14%. But daytime net tv was only up 5%.

**Business publications** maintained some advances in rates through November 1982, but the increases were nowhere near as severe as earlier in the year. In August, for example, business paper rates were up 14% over the same month in the year previous, whereas in November business publication rates were only 9% higher than in November 1981. The big increases will, of course, come at year-end as usual.

**Consumer magazine rates** were running 9% ahead of the year previous in September. They, too, are due for significant rate rises at year-end.

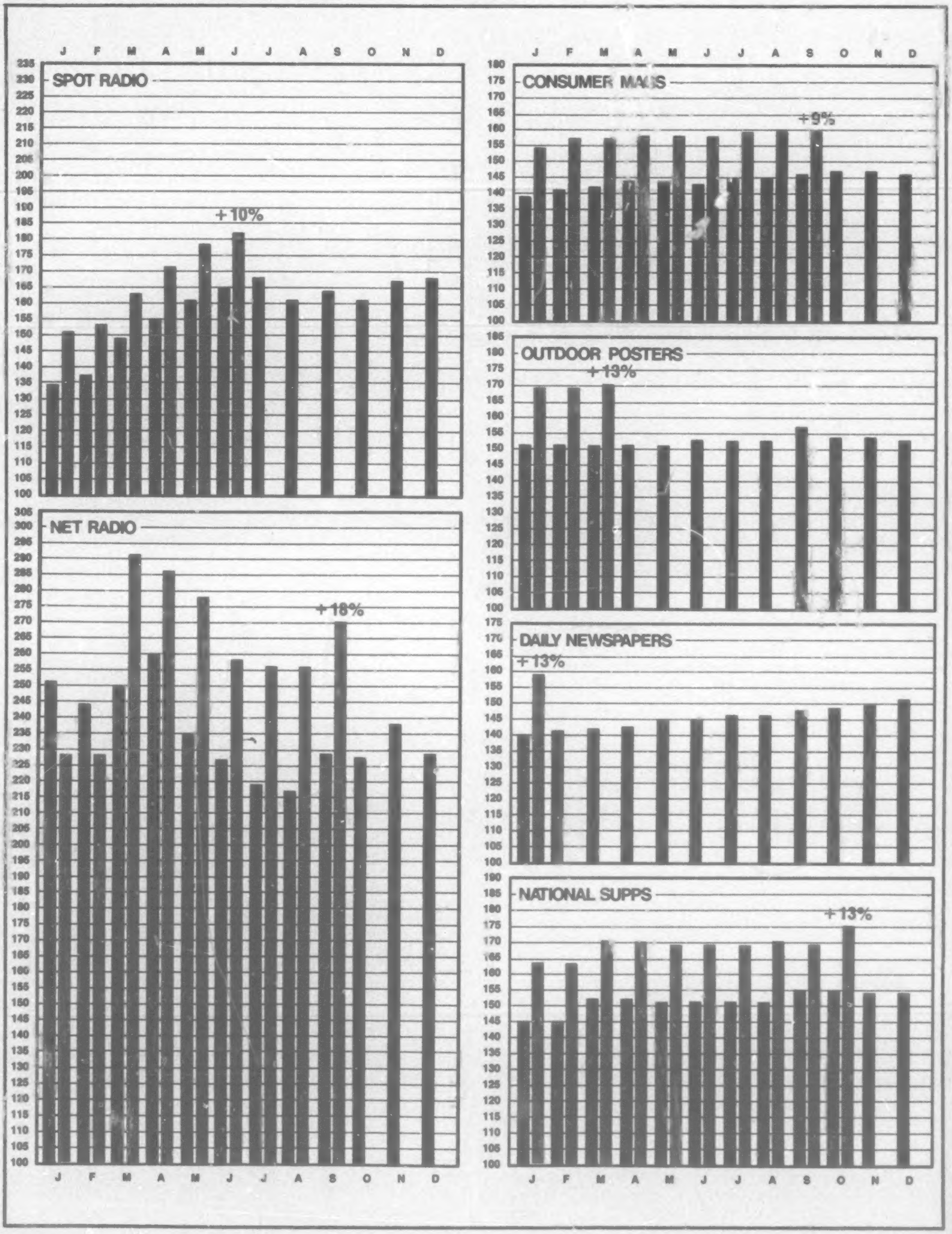
**National supps** showed more strength than other print media — up 13% in October compared to October 1981.

**Spot radio** continued to run considerably ahead of the year previous in rates. In July, net radio was up 17% over the same month in 1981; by September net radio was up 18% over September 1981.

**The Media Cost Index** reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday-Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications. **Outdoor Posters** based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

# MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977



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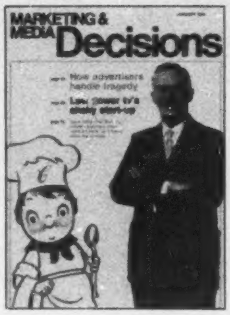

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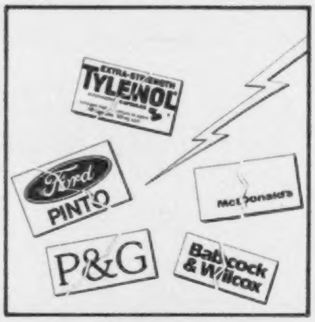

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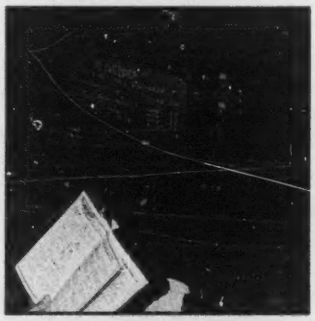

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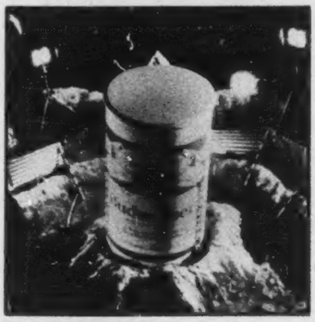

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# UPDATE

## Marketing consultants get the good life

Marketing consultants apparently get the cream of the crop in remuneration, according to a survey conducted by the American Marketing Association. The survey shows that management consultants earn an annual median salary of $46,111. *(See: "Recessionary recruiting," October 1982, pg. 64).*

The $46,000 is $9,000 higher than the next ranking group of marketers and nearly $12,000 more than the profession as a whole.

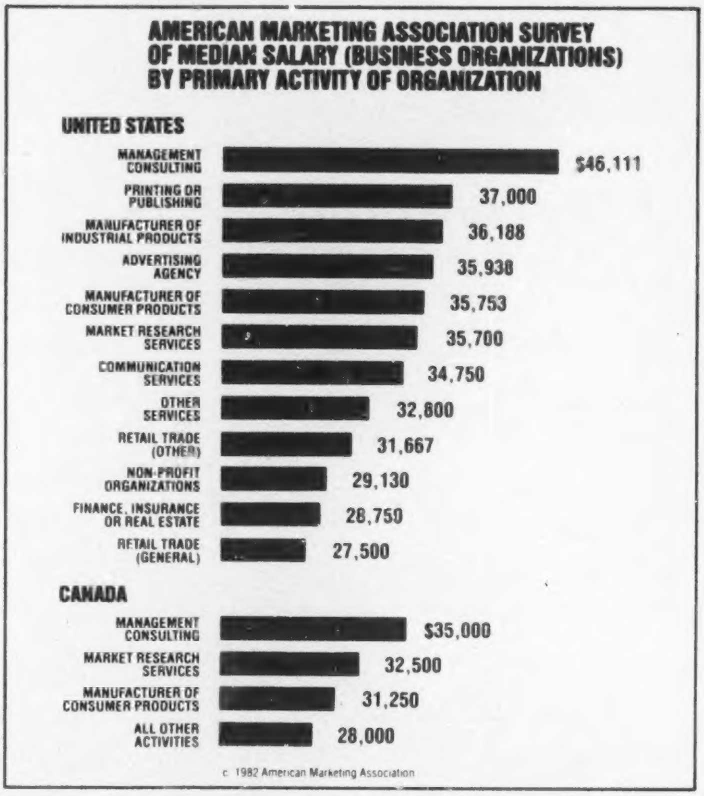
Marketers in the printing and publishing fields, with a median salary of $37,000 were the second highest paid group in the survey. Other highly paid groups were marketers working for manufacturers of industrial products ($36,188), advertising agencies ($35,938), and manufacturers of consumer products ($35,735).

Advertising led the marketing field in terms of bonuses received as 60% of advertising agency respondents received an average bonus of $8,137.

In the U.S., persons employed by their present employers less than one year had higher salaries than persons employed one to two years.

According to Dr. Gordon McAleer, and associate professor of marketing at the University of Central Florida, who authored the report for the AMA, this fact may particularly reflect the current job market, "which is presumed to be more generous than the rigid increase schedules of firms."

McAleer also points out another trend in the survey: The percentage of respondents receiving raises tended to increase as the number of years employed by the present employer increased — up to nine years employed. However, there was a drop in the percentage of people receiving raises after the nine year mark. "This raises the question of how well loyal, long-time employees are compensated," McAleer commented.


AMERICAN MARKETING ASSOCIATION SURVEY OF MEDIAN SALARY (BUSINESS ORGANIZATIONS) BY PRIMARY ACTIVITY OF ORGANIZATION

c 1982 American Marketing Association

## Radio Shack takes phone marketing seriously

One of the first retail chains to enter the home personal computer field, Radio Shack has announced an expansion of its telephone marketing capability, with the opening of five experimental telephone stores, *(See: "Advantages of being self contained," Spring special issue, pg. 69).*

The opening of the new stores is in conjunction with Tandy, the parent company's agreement to acquire the assets of Interconnect Telecommunications Systems, Inc., Lexington, Kentucky. The new experimental stores will be opened in Lexington and Louisville, ITS's current primary markets, and Forth Worth/Dallas, Texas, Tandy's headquarters city.

John V. Roach, Tandy chairman said: "The name of this new chain will be Radio Shack Telephone Center. Our primary thrust in the phone business will continue to be through the regular Radio Shack stores. This new store concept is designed to support those customers and small businesses with special requirements. All of this is designed to help us make good on one of our new trademarks, 'Make Radio Shack Your Telephone Company.' "

The company also announced its intention to enter the pocket beeper pager market early this year. A lower base rate than average is projected, as Tandy signed contracts with radio

## SCHEDULING GUIDE TO 1983 READERSHIP STUDIES

# Ad reader studies down 19% this year

**Bruce S. Childers, senior vp-marketing services, Meldrum & Fewsmith, Cleveland, reports on his survey of publications that will offer ad readership services in 1983, the issues that will be measured and the researchers who will do the field work. Childers' list includes 1,844 studies to be made by 463 publications.**

The present economic climate will have an impact on advertising readership studies in 1983. While most of the leading publications have indicated that they will maintain their schedule of studies in 1983, a portion are either reducing the number of studies to be conducted or eliminating them for the year.

An additional indication of the uncertainties of the economic climate of 1983 is that more publications than usual have not been able to supply us with advance information on what reports will be budgeted for 1983.

Our purpose is to provide advertisers and agencies with as accurate as possible information on the ad readership reports that will be available in 1983 in order to facilitate planning. Accordingly, we list only those publications and report dates which have been confirmed by both the publications and the readership services. By our November 15, 1982 cut-off date for this report, we have received con-

Continued on page 102

## Number of studies 1980-1983

| | 1980 | | 1981 | | 1982 | | 1983 | |
|---|---|---|---|---|---|---|---|---|
| Publication class | Publications | Number of studies | Publications | Number of studies | Publications | Number of studies | Publications | Number of studies |
| Consumer | 59 | 332 | 65 | 336 | 59 | 276 | 36 | 160 |
| General business and news | 23 | 311 | 26 | 324 | 23 | 279 | 21 | 186 |
| Specialized business | 303 | 1,084 | 320 | 1,213 | 307 | 1,076 | 255 | 914 |
| Health care | 44 | 155 | 56 | 165 | 61 | 181 | 53 | 160 |
| Farm | 26 | 31 | 30 | 38 | 33 | 46 | 33 | 46 |
| Canadian | 15 | 26 | 32 | 60 | 29 | 69 | 15 | 31 |
| **Totals:** | **470** | **1,939** | **529** | **2,136** | **512** | **1,927** | **413** | **1,497** |

Source: Medrum & Fewsmith, Nov. 15, 1982.

**READER STUDIES** (from 74)

firmation of 413 publications offering a total of 1,497 individual reports.

Overall, our preliminary tabulation of planned studies shows that the number of publications planning to offer ad readership studies in 1983 is down 10% from the 1982 level measured at the same time last year.

More indicative of economic pressures, I believe, is that the total number of individual studies confirmed so far is down 19% from the same time period last year. If the trend of the preliminary count of studies holds, the average publication offering ad readership will have only 3.6 studies conducted during the year as compared with about 4 per publication in 1982.

Among the individual publications, only one-half of those listed to date plan to study three or more issues during the year. Of the remaining publications, one-quarter will study two issues and the other one-quarter plan to study only one issue.

For the serious user of ad readership studies, the studying of only one or two issues in a year causes great concern. It has been our contention for years that the readership scores for individual ads should not be used for sharp comparisons or a definitive measure of performance.

More appropriately, the findings of the studies should be considered as just one of many measurement tools to track performance and, individually, should be viewed as a broad indicator — subject to modification with the addition of more data.

The true value of ad readership studies only begins to become evident when the performance of several ads, and hopefully more, are tracked over time. Coupling this view with the belief that direct comparisons cannot be made between the scores of different ad readership services or even between the scores of the same service for ads in different publications, it becomes evident that when a publication offers only one or two studies in a year it is difficult, if not impossible, to build a sufficient track record to properly judge ad readership performance.

I consider myself a strong advocate of ad readership studies. I believe that their proper use can provide valuable information. But I do not believe that studying one or two issues a year enables their proper use. Sometimes I wonder if it would be better for a publication to either offer enough studies to be meaningful (three or more) or none at all.

In the ad readership arena for this year, there are forty-six different ad readership services — including five new services not listed last year, but excluding nine services that dropped from the scene for 1983. As has always been the case, a small number of the ad readership services account for the majority of studies conducted. Our preliminary count shows that the top ten services will account for three-quarters of the studies planned for 1983. These ten services will be conducting studies for 304 different publications. Of the remaining services, fourteen conduct studies on only one publication while an equal number conduct studies for two to four publications.

This report includes preliminary listings of the publications that plan to use ad readership studies for 1983; the services they will be using the issues they plan to have studied. The lisiting is broken down into six categories: Health Care Publications, Canadian Publications, Consumer Magazines, Farm Publications, General Business-Management and News Publications and Specialized Business Publications.

# 1983 READERSHIP STUDY DATES

## Health Care Publications (human and animal)

*AAR Times* — Advantage: September
*American Druggist* — Harvey: February, April, August, October
*American Journal of Ophthalmology* —Readex: January, April, August
*AORN Journal* — Fosdick: January
*The Apothecary* — Ad-Q: January/February
*Cardiology Times* — Advantage: March, August, December
*Consultant* — Space: January, April, July, October
*Contact Lens Forum* — Ad Value: June, December
*Contemporary OB/Gyn* — ReADsponse: March, April, June, September, December
*Dental Economics* — Harvey: January, July, October
*Dental Management* — Readex: February, June, October
*Diagnosis* — Ad Impact: February, May, July, October
*Diagnostic Medicine* — MI/Q: May/June, November/December
*Drug Topics* — ReADsponse: March 21, June 20, September 19, November 21
*DVM, The Newsmagazine of Veterinary Medicine* — Advertising Performance Study: March
*Eye Talk* — Ad Value: April, October
*General Dentistry* — Fosdick: January/February, July/August
*Hearing Instruments* — Readex: July
*Hospital Medicine* — PAR: February, May, July, October
*Hospitals* — Hagen/AMS: March 1, August 16
*International Contact Lens Clinic* — Readex: June/July
*The Journal of the American Dental Association* — Advertising Performance Study: March September
*Journal of the American Medical Association* — Hagen/ARS: February 11, May 13, August 12, November 11
*Journal of the American Veterinary Medical Association* — Fosdick: June 1
*The Journal of Respiratory Diseases* —SPACE: January, April, July, October
*MD Medical Newsmagazine* — Starch: January-December
*Medical Aspects of Human Sexuality* —PAR: March, June, August, November
*Medical Economics* — ACT: January/February, March-May, June-August
*Medical World News* — Ad/Vise: March 14, June 13, September 12, December 12
*MLO/Medical Laboratory Observer* —ReADsponse: January, April, August, November
*Modern Healthcare* — Fosdick: January, March, April, June, September, November
*Modern Medicine* — Readex: January, February, March, May, June, July, September, October, November, December
*Ocular News Surgery* — Ballot: March 15
*Ophthalmology Management* — Ad Value: July, November
*Optical Index* — Readex: March, September
*Optical Management* — Ad Value: March, September
*Optometric Management* — Ad Value: January, August
*Orthopedics* — Advantage: March, July, September, November
*Orthopedics Today* — Advantage: March, July, September, November
*Pharmaceutical Executive* — Advertising Performance Study: August
*Pharmaceutical Technology* — Advertising Performance Study: June
*Pharmacy Times* — PIP: March, September
*Physician and Sportsmedicine* Reader Re-Play: March, June, September, December
*Physician's Management* — Ad/Spectrum: February, May, August, November
*Postgraduate Medicine* — Ad-Q: January, April, July, October
*Psychiatric Annals* — Advantage: March, July

*Psychosomatics* — SPACE: January, April, July, October

*Respiratory Care* — Advantage: March

*RN Magazine* — RN Ad Evaluation: January, April, August, October

*Today's O. R. Nurse* — Readex: March, September

*U.S. Pharmacist* — Advantage: February, May, August, December

*Veterinary Economics* — Readex: June

*Veterinary Medicine/Small Animal Clinician* — Readex: March, October

## Canadian Publications

*Canadian Chemical Processing* — Starch: May

*Canadian Datasystems* — Starch: June

*Canadian Doctor* — Starch: February, June, October

*Canadian Living* — Starch: November

*Electrical Business* — Ad-Q: January, April, July

*Electronic Products & Technology* — Ad-Q: January/February

*Engineering Digest* — Starch: February, May

*Engineering Times* — Ad-Q: January, April, July, December

*Foodservice & Hospitality* — Starch: March

*Heavy Construction News* — Starch: February 21

*Homemaker's Magazine/Madame Au Foyer* — Starch: April, September, November

*Physicians Management Manuals* —Advantage: March, July, December

*Plastics Business* — Ad-Q: May

*Reader's Digest/Selection* — Starch: February, April, September, November

*TV HEBDO*— Starch: April 16, November 26

## Consumer Magazines

*American Artist* — Harvey: June, July, August

*Better Homes and Gardens* — MIRS: February, April, July, October, December

*Better Homes and Gardens Kitchen & Bath Ideas* — Starch: Winter

*Better Homes and Gardens Remodeling Ideas - Starch: Spring, Fall*

*Charisma* — Ballot: January

*Co-Ed* — Starch: April

*Cosmopolitan* — MIRS: March, June, August, October, December; Starch: March, April, May, June, September, October, November, December

*Ebony* — Starch: February, March, April, May, June, August, September, October, November, December

*Field & Stream* — Starch: March, October

*Glamour* — MIRS: February, April, May, September, November: Starch: March, April, May, August, September, October, November

*Golf Digest* — Starch: February, May

*Good Housekeeping* — Starch: February, March, April, May, June, July, September, October, November, December

*High Fidelity* — Starch: April/May, October/November

*Hot Rod Magazine* — Starch: April, May

*House & Garden* — Starch: April, May, October, November

*House Beautiful* — Starch: March, April, May, September, October, November

*House Beautiful Home Remodeling* —Starch: Spring/Summer, Fall/Winter

*Mademoiselle* — Starch: April, May, August, October

*McCall's Magazine* — Starch: March, April, May, October, November, December

*Modern Bride* — Starch: April/May, October/November

*New York Times Magazine — Home Design Section* — Starch: April 17, September 25

*New York Times Magazine — Home Entertaining Section* — Starch: May 1, October 23

*New York Times Magazine — Men's Style Section* — Starch: March 27, September 11

*New York Times Sunday Travel Section* —Starch: March 13

*New York Times Sunday Travel Section* —Starch: March 13

*New York Times Women's Fashions of the Times* — Starch: February 27, August 28

*Penthouse* — Starch: February, March, April, June, October, November, December

*People Weekly* — MIRS: March 28, April 25, June 13, September 26, November 7

*Plate World* — Readex: September/October

*Playboy* — MIRS: January, March, June, October, December; Starch: March, April, May, June, September, October, November, December

*Popular Mechanics* — Starch: April, May, September

*Reader's Digest* — Starch: January-December

*Redbook Magazine* — Starch: April, October

*Southern Living* — Starch: March, April, May, October, November, December

*Sunset* — Starch: February, March, April, May, June, September, October, November, December

*Tennis* — Starch: June

*Vogue* — Starch: April, November

## Farm Publications

*Beef* — Readex Red Sticker: September

*Dairy* — Readex Red Sticker: March, October

*Dairy Herd Management* — Fosdick: February

*Dairy Record* — Ad/Call: February

*Drovers Journal-NFF* — Readex Red Sticker: January 20

*The Farmer/The Dakota Farmer* — Ballot: February 5

*Farm Industry News* — Ballot: January (Sunbelt), February (Midwest)

*Farm Journal* — In-House: Mid-January, March, June/July, August, October, December

*Farm Money Management* — Fosdick: May/June

*Farm Store Merchandising* — Fosdick: February

*Farm Supplier* — Advertising Performance Study: January

*Feedlot Management* — Fosdick: February

*Feedstuffs-Equipment World Section* —Fosdick: March 28

*Florida Grower & Rancher* — University Research: September

*Hog Farm Management* — Fosdick: February

*Irrigation Age* — Readex Red Sticker: March

*Kansas Farmer* — University Research: February 5

*Kentucky Farmer* — Readex Red Sticker: January

*Michigan Farmer* — University Research: July

*Missouri Ruralist* — University Research: February 12

*National Hog Farmer* — Readex Red Sticker: March 15

*Nebraska Farmer* — Ballot: August 20

*The Ohio Farmer* — University Research: September 3

*The Oklahoma Farmer Stockman* —University Research: April

*Pennsylvania Farmer* — University Research: January 1, August 13

*Pig American* — Readex Red Sticker: April; Ad-Q: September

*Pork Producers Reference* — Readex Red Sticker: November/December

*Prairie Farmer* — Farm Progress Publications Research: March 19, August 6

*Progressive Farmer* — Readex Red Sticker: January

*Successful Farming* — Ad Chart: January, May

*The Texas Farmer Stockman* — University Research: March

*Wallaces Farmer* — Farm Progress Publications Research: January 22, November 12

*Wisconsin Agriculturist* — Farm Progress Publications Research: February 26, September 10

## General Business, Management and News Publications

*Barron's-National Business and Financial Weekly* — Ballot: January 17, February 21, March 28, April 18, May 16, June 13, September 12, October 17, November 21, December 5

*Business Week (National)* — MIRS: May 9, October 17

*Dun's Business Month* — Starch: January, February, March, April, May, June, July, August, September

*Forbes* — Starch: January 3, February 14, March 14, April 11, April 25, May 9, September 12, September 26, October 10, October 24, November 7, November 21

*Fortune* — Starch: January 10, February 21, March 21, April 4, April 18, May 2, June 13, July 11, August 22, September 19, October 3, October 31, November 28; Harvey: February 21, March 21, April 18, May 2, June 13, September 19, October 17, November 14

*Industry Week* — Starch: January 10, February 21, March 7, April 18, May 30, June 13, July 25, August 8, September 19, October 3, November 14, December 12

*International Management (Africa)* — Ad Evaluator: April, August, December

*International Management (Asia/Pacific)* —Ad Evaluator: April, August, December

*International Management (Europe)* — Ad Evaluator: March, June, September
*International Management (Latin-America Spanish)* — Ad Evaluator: February, July, November
*International Management (Middle East-Arabic)* — Ad Evaluator: January, May, October
*Money* — Subscriber Advertising Measurement: January-December
*Nation's Business* — Harvey: February, May, September, November
*Newsweek (National)* — MIRS: January 24, February 7, April 18, May 16, June 27, August 22, September 19, November 14, December 12; Starch: February 14, March 14, April 11, April 18, May 9, May 16, June 13, September 12, September 19, October 17, October 24, November 7, November 14, November 21, December 5
*Sports Illustrated (National)* — MIRS: February 21, March 21, May 23, June 20, September 12, November 21
*Scientific American* — Starch: April, September
*Time (National)* — MIRS: February 14, March 14, July 18, October 24, December 5; Starch: April 25, May 23, November 7, December 5
*Wall Street Journal (Eastern Edition)* —Subscriber Advertising Measurement: January 17, March 10, May 4; Starch: January 12, January 20, January 25, February 8, February 17, February 22, March 2, March 10, March 16, March 22, April 5, April 12, April 20, April 28, May 3, May 12, May 18, May 24, May 31, June 9, June 15, June 21, July 12, August 9, September 13, September 15, September 21, September 29, October 4, October 13, October 19, October 27, November 2, November 8, November 17, November 30, December 6
*Wall Street Journal (Midwest Edition)* —Subscriber Advertising Measurement: February 9, April 8, May 9
*Wall Street Journal (Southwest Edition)* —Subscriber Advertising Measurement: February 24, April 15
*Wall Street Journal (Western Edition)* —Subscriber Advertising Measurement: January 28, March 14

## Specialized Business Publications

*ABA Banking Journal* — Advertising Performance Study: April, September; Ad Feedback: May; Harvey: November
*Adhesives Age* — Fosdick: September
*Administrative Management* — Fosdick: February, June
*Advertising Age* — Fosdick: January 24, March 14, May 23, July 25, September 26, November 28
*Adweek* — Ad Chart: March 28, June 27, September 26
*Agrichemical Age* — Readex Red Sticker: January 1
*Agri Marketing* — Readex: January
*AIA Journal* — Ad Effect: January, March, April, May, August, October
*Air Conditioning, Heating & Refrigeration News* — Readex Red Sticker: February 28, March 21, May 23, July 4, August 8
*Air Force Magazine* — Readex: June, October
*Air Transport World* — Starch: January, May, July, October
*American Automatic Merchandiser* —Readex Red Sticker: May
*American Hairdresser/Salon Owner* —Starch: April, November
*American Printer* — Advertising Performance Study: February, July, November
*American Shipper* — Ballot: April
*Analytical Chemistry* — Ad/Lab: March, May, August, November
*Appliance* — Fosdick: June, September
*Architectural Record* — Starch: January, February, Mid-February, March, April, May, Mid-May, June, July, August, Mid-August, September, October, Mid-October, November, December
*Assembly Engineering* — Ballot: January, June
*Audio Visual Directions* — Ad-Q: March, November
*Automotive Age* — Ad-Chart: July
*Automotive Chain Store* — Ad-Q: April
*Automotive Engineering* — Ad-Q: March, October
*Automotive Rebuilder* — Ad-Q: February
*Automotive Volume Distribution* — Readex: January, April, June/July, September, November/December
*Aviation Equipment Maintenance* — Ad-Q: January/February, May/June, September/October
*Bakery Production and Marketing* —Ad/Call: January 24, April 24
*Baking Equipment* — Ballot: October 4
*Baking Industry* — Fosdick: January
*Beverage World* — Ad-Q: January, April, July, October
*Bodyshop Business* — Ad-Q: July
*Brake & Front End* — Ad-Q: May
*Broadcast Communications* — Ad-Sell: February
*Broadcast Engineering* — Ad-Q: May, october
*Buildings* — Fosdick: February, May, July, October
*Case & Comment* — Readex: March/April; Harvey: November/December
*Cee* — Sara: March, November
*Chainstore Age Supermarkets* — Ad Call: January, May, October
*Chemical & Engineering News* — Ad/Lab: January 24, March 28, May 30, July 18, September 12, November 7
*Chemical Engineering* — Harvey: January 10, January 24, February 21, April 4, May 16, May 30, July 11, August 22, November 28
*Chemical Processing* — Fosdick: January, February, April, May, July, August
*Chemical Purchasing* — Fosdick: April, September
*Chemical Week* — Ad-Q: January 5, February 9, March 23, May 25, July 13, August 31, September 21, December 21
*Christianity Today* — Ad-Q: March 4
*Circuits Manufacturing* — Ballot: February, June, August, December
*Civil Engineering* — Ad-Q: January, April, July, October
*Coal Age* — Ad-Q: January, March
*Coal Mining & Processing* — Fosdick: January, June
*Commercial Car Journal* — Ad Chart: February, June, November
*Computer Aided Engineering* — Ad-Gage: March 10, July 8
*Computer Decisions* — Reader Recall: February, April, June, August, September, October, December
*Computer Design* — Readex: February, July, October
*Computerworld* — Starch: February 14, June 13, September 12, November 14
*Consulting Engineer* — RAA: January, March, May, July, October, December
*Contracting Business* — Starch: January, April, September
*Contractor* — Ad-Q: January 1, March 1, June 1
*Control Engineering* — RAA: January-December
*Corporate Design* — Readex: March/April, September/October
*Data Communications* — Advertising Performance Studies: April, September
*Datamation* — Ad-Q: April, August, December; Harvey: February, March, August, November
*Decorating Retailer* — Readex: April, August, November
*Defense Electronics* — Ad-Q: January, April, July, September
*Design News* — Cahners: January 10, January 24, February 7, February 21, March 14, March 28, April 11, April 25, May 9, May 23, June 6, June 20, July 4, July 18, August 8, August 22, September 5, September 19, October 10, October 24, November 7, November 21, December 5, December 19
*Digital Design* — Ballot: February, April, June, August, October, December
*Discount Store News* — Ad Feedback: July
*Distribution* — Ad Chart: February, June, October
*Domestic Engineering* — Reader Pulse: February, April, July, December
*Drilling Contractor* — Advertising Performance Study: April, December
*Drilling, The Wellsite Publication* — Ad-Q: April 1, August
*Drug & Cosmetic Industry* — Ballot: January, August
*EE-Electrical/Electronic Product News* —SARA: January, July
*Elastomerics* — Fosdick: April
*Electric Light & Power* — RAA: April, June, September
*Electrical Construction & Maintenance* —Ad Sell: January, June, November
*Electrical Consultant* — Ballot: January/February, May/June
*Electrical Wholesaling* — Readex: April
*Electrical World* — Ad Value: February, May, October
*Electronic Component News* — Ad Chart Ad Action: March, June, September, December
*Electronic Design* — Reader Recall: January 6, March 3, May 12, June 23, July 21, August 18, September 29, December 22
*Electronic Design (International Edition)* —Reader Recall: February 3, November 24
*Electronic Packaging and Production* —Cahners: January, May, August, December
*Electronics* — Ad Sell: February 24, June 30, September 22; Postcom: February 10, April 21, July 28, November 30
*Electronics Test* — Ballot: March, July, November
*Electro-Optical Systems Design* —Cahners: February, April, June, August, December

*Energy Management* — Ad-Gage: January/February, May/June, August/September

*Energy Management Report* — Reader Interest Study: January, May, July, October, November

*Energy Systems Product News* — Harvey: August

*Engineering & Mining Journal* — Ad-Q: February, May

*Engineering News-Record* — Ad Value: February 10, April 21, June 30, August 25, October 20, December 1

*Engineer's Digest* — Readex Red Sticker: February, September

*Environmental Science & Technology* —Ad/Lab: March, July, December

*Equipment Management* — Ad-Q: January, June, September

*Feed Management* — Readex Red Sticker: March

*Fire Chief* — Readex: August

*Fire Engineering* — RAA: April

*Fire Journal* — Ad-Q: March

*Fleet Maintenance & Specifying* — Ad-Q: February, May, October

*Fleet Owner/Big Fleet Edition* — Readex: January, April, June, July, September, November

*Fleet Owner/Small Fleet Edition* — Readex: February, April, September

*Food and Drug Packaging* — Readex: February, October

*Food Engineering* — Ad Chart: January, February, May, August, November, December

*Food Management* — Readex: January, April, July, October

*Food Processing* — Fosdick: January, March, May, September, November

*Food Service Marketing* — Fosdick: January, April, September

*Food Technology* — Harvey: April, October

*Forecast for Home Economics* — Ad Value: February, October

*Foundry Management & Technology* —Ad/Fax: January 1, February 1, June 1, September 1

*Garden Supply Retailer* — Fosdick: August

*Government Product News* — Ad Component Rating: January, June, September

*Graphic Arts Monthly* — RAA: February, May, August, November

*Handling & Shipping Management* —Starch: March, April, May, September

*Hardware Age* — Ad Chart: February, April, July, October

*Heating/Piping/Air Conditioning* — Ad-Gage: January, February, March, April, May, July, August, September, October, November, December

*Heavy Duty Marketing* — Ad-Q: June

*Highway & Heavy Construction* — RAA: February, March, May, August, October, November

*Home & Auto* — Readex Red Sticker: May 1

*Home Center Magazine* — Ad Sell: May; Ad/Call: October

*Hydraulics & Pneumatics* — Readex: March, May, July, September

*Importcar* — Ad-Q: September

*Independent Auto* — Harvey: January, July

*Industrial Distribution* — Ballot: March, April, July, September, December

*Industrial Distributor News* — Ad-Q: January, May, September

*Industrial Engineering* — Ad-Q: March, October

*Industrial Equipment News* — Harvey: March, April, June, September, October, November

*Industrial Finishing* — Ballot: May, November

*Industrial Maintenance & Plant Operation* —Ad-Chart Ad-Action: January, February, May, September, November, December

*Industrial Research & Development* — RAA: January-December

*Industrial Safety and Hygiene News* — Ad-Chart Ad-Action: January, September

*Infosystems* — Ballot: March, October

*In-Plant Reproductions* — Ad-Q: February

*Instrument & Apparatus News* — Ad-Chart Ad-Action: January, March, June, August, November

*Instruments and Control Systems* — Ad-Chart: April, June, September

*Insulation/Circuits* — Fosdick: March

*In-Tech* — Ad-Q: March, October

*Interiors* — Ad Sell: March

*Iron Age* — Ad Chart: January 3, January 21, February 16, March 16, March 25, April 4, May 2, June 15, July 4, August 19, September 5, September 23, October 12, November 16, November 25

*Iron Age-Metal Producing Edition* — Ad-Chart: January 3, May 2, September 5

*Jobber & Warehouse Executive* — Ad-Gage: May

*Jobber Topics* — Readex: January, March, May, August, October, November

*Journal of the American Dietetic Association* — Readex: April, September

*Journal of Petroleum Technology* —Fosdick: January, May 15, August, November

*Laser Focus* — In-House: February, September

*Lawn & Garden Marketing* — Ad-Q: October

*Machine and Tool Blue Book* — Ballot: January, June

*Machine Design* — Ad-Gage: January 6, January 20, February 10, February 24, March 10, March 24, April 7, April 14, April 21, May 12, May 19, May 26, June 9, June 23, June 30, July 7, July 21, August 11, August 25, September 8, September 22, September 29, October 6, October 20, November 10, November 17, November 24, December 8

*Madison Avenue* — Ad Sell: February

*Magazine Age* — Ad-Chart: July

*Manufacturing Engineering* — Readex: March, April, September, October

*Marine Engineering/Log* — Ad-Q: January, April, July, October

*Marketing & Media Decisions* — Starch: April, October

*Mart Magazine* — Ballot: April, August, September

*Materials Engineering* — Starch: January, March, May, July, September, November

*Mechanical Engineering* — Fosdick: February, March, August, October

*Meetings & Conventions* — Harvey: January

*Microelectronic Manufacturing & Testing* —Ad-Q: June

*Microwaves* — Reader Recall: January, April, June, October, December

*Microwave Systems News* — Ad-Q: January, April, July, September, November

*Mini-Micro Systems* — Cahners: February, March, April, June, July, October

*Modern Machine Shop* — Ad-Q: January, July

*Modern Office Procedures* — Starch: March, May, June, October

*Modern Paint & Coatings* — Fosdick: June, November

*Modern Plastics* — Harvey: February, May, August, November

*Modern Railroads/Rail Transit* — Cahners: January, February, April, June, August, November, December

*Mortgage Banking Magazine* — Ad-Q: February

*Motor* — Ballot: January, May, September

*Motor Service* — Ad-Gage: July

*National Home Center News* — Ad-Q: January 31, May 9, June 18, October 10

*NC Shopowner* — Harvey: January, May

*New Equipment Digest* — Hagen/MMI: January, February, March, April, June, September, October, November

*Occupational Hazards* — Readex: April, August, October

*The Office* — Readex: February, May, August, November

*Office Products Dealer* — Ballot: April, October

*Oil & Gas Digest* — Ad-Chart: March

*Oil & Gas Journal* — Harvey: January 3, February 14, May 9, June 20, August 1, September 19, November 7, December 19

*Oil Patch* — Ad-Q: January, August

*Package Engineering* — Cahners: January, February, March, May, August, September, December

*Package Printing* — Ad-Q: April

*Packaging Digest* — Harvey: January, June, September

*Paper Trade Journal* — Ballot: April 30, September 30

*Personal Computing* — Reader Recall: January, April, July, October

*Personnel Journal* — Ad-Q: January

*Pest Control* — Readex: February, September

*Petroleum Engineer International* — Reader Interest Study: January, July, November

*Photonics Spectra* — Ad-Q: February, July, December

*Pipeline & Gas Journal* — Reader Interest Study: January, May, October

*Pipe Line Industry* — Reader Rating: March, July

*Pipe Line Industry (Europe)* — Reader Rating: November

*Pit & Quarry* — Ad-Gage: March, June, August

*Plant Energy Management* — Readex: April, October

*Plant Engineering* — RAA: January 6, January 20, February 3, February 17, March 3, March 17, March 31, April 14, April 28, May 12, May 26, June 9, June 23, July 7, July 21, August 4, August 18, September 1, September 15, September 29, October 13, October 27, November 10, November 23, December 8, December 22

*Plant Services* — Fosdick: January, April, June, September

*Plastics Technology* — Ad Value: January, March, August, December

*Plastics World* — Cahners: January, March, May, September, October, November

*Pollution Engineering* — Fosdick: February, April, July, November

*Power* — Harvey: March, June, October

*Power Engineering* — RAA: April, August, November

*Printing Impressions* — Ad-Q: March

*Processed Prepared Food* — AIS: March, November

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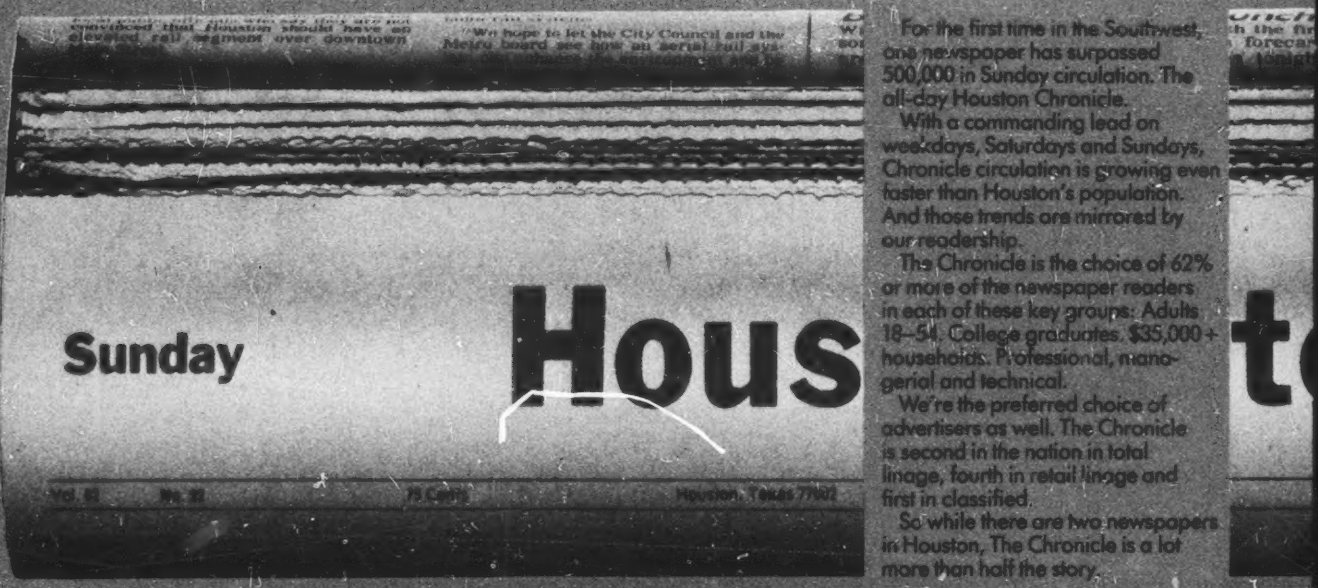
*Product Design & Development* — Ad-Chart Ad-Action: January, March, May, July, September, November
*Production*– Harvey: January, April, July, October
*Production Engineering* — Ad-Gage: January-December
*Products Finishing* — Ad-Q: January, June
*Professional Builder & Apartment Business* — Cahners: April, September, October, December
*Progressive Architecture* — Ad-Q: January-December
*Progressive Railroading* — Fosdick: January, July
*Pulp & Paper* — Harvey: February, July, November; Readex: April, September
*Purchasing Magazine* — Cahners: January 27, February 10, March 10, April 14, April 28, May 26, June 9, July 28, August 11, September 29, October 27, November 24
*Purchasing Magazine (Chemical Process Industries Edition)* — Cahners: January 13, February 10, March 10, May 12, September 15, November 10
*Purchasing World* — RAA: January-December
*Quality* — Ad-Q: January, June, October
*Restaurant and Hotel Design* — Ad Value: January, June
*Restaurant Business* — Starch: March 1, May 15, September 1, November 1
*R. F. Design* — Readex: May/June
*Robotics Today* — Readex: February
*Rock Products* — Fosdick: February, May
*School Food Service Journal* — Fosdick: March
*School Product News* — Starch: February, September
*Security Dealer* — Ad-Q: June
*Security Industry & Product News* — Ad-Q: June
*Security Management* — Marketmirror: February, May, October
*Semiconductor International* — Cahners: January, May, July, November
*Service Station Management* — Ad-Gage: June
*Software News* — Harvey: February, August
*Solar Heating & Cooling* — In-House: February, April, June, October, November
*Solid State Technology* — RAA: May, October
*Solid Waste Management* — Fosdick: January
*Southern Pulp and Paper* — Ad-Q: May, August, December
*Specialty & Custom Dealer* — Ad-Q: April
*Specifying Engineer* — Cahners: February, April, May, June, August, September, November, December
*Super Service Station* — Ad-Q: March, June, November
*Tappi* — Fosdick: February, July, November, December
*Telephone Engineering & Management* —Readex: March 1, July 15, October 15
*Telephony* — Fosdick: February 14, May 9, July 4, November 21
*Textile World* — Ad-Q: Jan., April, Aug.
*Tire Review* — Ad-Q: February
*Today's Office* — Starch: January, June
*Tooling & Production* — Hagen/AMS: January, April, June, August, November
*Traffic Management* — Readex: January, February, May, September
*Traffic World* — Readex: January 24; Starch: May 23; Harvey: December 5
*Training* — Readex: Quarterly
*Transmission & Distribution* — Starch: January, May, July
*Transport Topics* — Ad-Q: March 21, October 17
*United States Banker* — Ballot: June
*Venture* – Ballot: January, May, August
*Ward's Auto World* — Readex: March, July, September, December
*Warehouse Distributor News* — Ad-Q: January
*Water Engineering & Management* —Fosdick: January, April, July, October
*Weeds, Trees & Turf* — Readex: January, May, October
*Welding Design & Fabrication* — Starch: February, September
*Western Foodservice* — Ad-Q: July
*The Wholesaler* — Reader Pulse: April, July, October
*Wire Business* — Ad Value: February
*Word Processing Systems* — Fosdick: June
*World Oil* — Reader Rating: March, July, September
*World Oil (Europe)* — Reader Rating: July ■

**A Southwest first.**
**Over half a million in Sunday circulation.**



For the first time in the Southwest, one newspaper has surpassed 500,000 in Sunday circulation. The all-day Houston Chronicle.

With a commanding lead on weekdays, Saturdays and Sundays, Chronicle circulation is growing even faster than Houston's population. And those trends are mirrored by our readership.

The Chronicle is the choice of 62% or more of the newspaper readers in each of these key groups: Adults 18–54. College graduates. $35,000+ households. Professional, managerial and technical.

We're the preferred choice of advertisers as well. The Chronicle is second in the nation in total linage, fourth in retail linage and first in classified.

So while there are two newspapers in Houston, The Chronicle is a lot more than half the story.

Sources: Calculations computed by The Chronicle from the FAS-FAX, Sept. 30, 1982, Scarborough Report, 1982; Media Records, first nine months, 1982 (includes full and part-run linage). Parade linage excluded.

# Women on wheels

**Eugene McCarthy, former senior vp-director media services, J. Walter Thompson, Detroit, (and now with BBDO-Detroit), looks at how auto advertisers' media plans are taking note of importance of women as car buyers. In photo (left to right): McCarthy and Nancy Kindl, assistant network negotiator; Cynthia Wrigley, executive secretary; and Linda Micheau, media relations coordinator, all JWT.**

The automotive industry's growing interest in the women's market is based on an awakening to the fact that it represents big business!!

The idea that men - while still very important - are the exclusive "heavies" in new car purchasing decisions and that women play a minor or superficial role has long been discarded. All automotive manufacturers, in setting their upscale "targets", statistically or judgmentally place a value on women's involvement in the new car purchasing decision vis-a-vis men.

Considering an estimated overall automotive "average" weighting for women at 60% the value of men in the decision process, women represent a $30 plus billion market for the industry in an 8 1/2 million car sales year. That's big business by any standard.

While somewhat surprising, the above figure need not be shocking. In good years and bad, sales in the automotive industry are in the multi-billions of dollars. The difference between the two is "how many billions." In addition, the dynamic growth of working women has impacted on this industry. Between 1970 and 1980, government statistics indicate that the number of women in the work force grew from 31 million, or 43% of all women, to 43 million, or 52%.

The implications are obvious in terms of disposable income for families as well as single working women. Last year, it is also reported that 47 million women received paychecks and that women now represent 43% of the nation's work force. Their significant financial contribution to the "family kitty" or their own pocketbooks has given women a much stronger voice in the purchase of high ticket durables to a degree never before experienced.

There has been criticism aimed at the auto industry that the full value of the women's market has been unrecognized in advertising strategies. This is unfair since over the past 10 years most automotive advertisers have been trying to fix a value on this market for its individual carlines and trend it accordingly.

There were continuing reviews of Polk registrations, Industry Principal Driver Studies, "new car decision makers" as defined by syndicated research services and "self-serving" media studies. In addition, over the last 3-4 years, a number of automotive manufacturers individually have been collecting "decision data" on segments and carlines via interviews shortly after purchase. Interviews among the participant or participants, as well as "alleged" participants, are pursued and scored accordingly. Obviously, judgment and experience have also played a role in any analysis

## A: Female influence by type of car

| Segment size | Male weighting | Female weighting | % Female importance of total adults |
|---|---|---|---|
| Small economy | 100 | 74 | 42% |
| Small sporty | 100 | 71 | 41 |
| Compact | 100 | 52 | 34 |
| Middle | 100 | 54 | 35 |
| Middle sporty | 100 | 68 | 40 |
| Large | 100 | 41 | 29 |

of the combination of research on cars.

All research on the women's market to date has indicated a steady growth of influence but the importance of women may vary significantly by carline. Box A (page 85) has been developed from the results of the latest combinations of research. It is representative of the "typical car" in key segments and will demonstrate the overall variations that pertain.

You will note that smaller size and more sporty cars have a greater appeal to women. The exception to size is Middle Sporty: however, this classification includes cars like Cordoba, Cutlass Supreme, Monte Carlo and Thunderbird that have been downsized in recent years and maintain a "specialty" flair that appeals to upscale women. Additionally, station wagons in their appropriate segments also have significant women's influence.

However, the importance of women's weighting at this point may be purely academic in media application for individual carline plans. Media-mix schedules developed to reach precise upscale target audiences (with appropriate women weightings) usually cover the "target women" far in excess of their statistical value. This is more apparent when the industry's major media usage is broadly examined (Box B on this page).

## B: Automotive major media usage

| Major Media: | % Adult male | % Adult female | Est. % Media expenditures automotive manufacturers '81 M.Y. |
|---|---|---|---|
| *Prime time network*/Spot viewers | 45.3% | 54.7% | 45% |
| *Newsweekly** — readers | 59.2 | 40.8 | 11 |
| Other major publications** — readers | 46.5 | 53.5 | 3 |
| | | | 59% |

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* *Newsweek, Time, U.S. News*

** *National Geographic, Readers' Digest, TV Guide*

Sources: TV-NTI Television Audience '81; Magazines-SMRB '81; Expenditures-LNA/JWT Estimates

In further analyzing major media that is scheduled by the industry and more specifically oriented toward upscale men, we find a relatively high degree of involvement among women (Box C this page).

## C: Women's involvement in "male" media

| Male orientated media: | % Adult male | % Adult female |
|---|---|---|
| *CBS/NBC/ABC football* — viewers | 65.0% | 35.0% |
| *ABC/NBC world series* — viewers | 55.8 | 44.2 |
| *ABC NCAA football* — viewers | 64.6 | 35.6 |
| *CBS/NBC NCAA basketball* — viewers | 64.9 | 35.1 |
| *Sports illustrated* — readers | 80.5 | 19.5 |
| *Business week* — readers | 71.6 | 28.4 |
| *Playboy* — readers | 78.1 | 21.9 |

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Sources: TV-NTI "Sports '81"; Magazines-SMRB '81

Due to their dynamic growth in the work force, coupled with their growing paychecks, it is obviously necessary to consider how working women consume the principal media used by the industry. Using the best available information, following is an analysis of the subsets of the women's market that are generally considered key prospects for the purchase of a new car: Single working women, married working women *with no children* (2 plus incomes and plus cars), and married working women *with children* (2 plus incomes and 2 plus cars). See page 87, Box D.

Rather consistent with the previous analysis, the industry's combined major media efforts cover working women quite well and the more "male oriented" efforts do surprisingly well. Furthermore, it is estimated that just one advertising exposure in each of the above media vehicles will develop the following net coverages (Box E).

## E. Employed women — reach/frequency analysis

| | Reach | Frequency |
|---|---|---|
| Total employed women | 75% | 2.5x |
| Single working women | 74 | 2.5 |
| Married no children (2+ income, 2+ cars) | 81 | 2.5 |
| Married with children (2+ income, 2+ cars) | 78 | 2.6 |
| All others | 74 | 2.5 |

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Source: JWT Estimate

Of course, there is the usual question of the intensity of interest of women in the more male-oriented media efforts. However, the numbers are there — and they have been for years and one may place whatever value he or she chooses on them. The point is the most automotive carlines statistically receive significantly more coverage of the women's market than required by their specific objectives without any special effort directed at this market.

Despite all the above media and marketing analyses and applications, many automotive advertisers also schedule special efforts directed at women's markets - principally in magazines. Unquestionably, there is always the rare occasion where some carlines may require such a heavy weighting for women that the primary media-mix may underdeliver the required impressions. Secondly, on judgment, a specific carline's appeal and creative approach may seem to be enhanced by its appearance in specialized magazines targeted to women. In either case, there are two ways automotives communicate in specialized women's publications - one is the obvious and traditional route through advertising pages and the other via appropriate fashion tie-ins. Consistent with life-style changes and the importance of working women, a cross section of magazines are typically used such as *Cosmopolitan, Glamour, Vogue, Mademoiselle, New Woman, Ms.*, etc.

These selective publications, while providing lower units of coverage, tend to concentrate in the "working women" subsets and indeed supplement strategies aimed at this market very well (Box F at right).

There is no question that automotive advertisers reach the women's market through a combination of broad and selective media vehicles. Perhaps the key issue is whether or not automotive advertisng - as we know it generally - communicates optimally with this valuable market. Or is a shift required in advertising that speaks in some significant way differently to women?

The industry generally feels that, especially in a big ticket item like a car, the big concerns are equally shared by men and women. To say it another way, advertising is not created for men and women but for people, who are either in the market to buy a new car or who may potentially buy one in the near future.

What man or woman who is ready to buy a car is not interested in all or most of the following: costs, quality, innovation, practicality, fuel efficiency, styling and overall appearance? Now this order may differ but not necessarily along purely sex lines. When it differs, it is more along segment lines - e.g., the concerns of a "small sporty" prospect versus a "large" prospect.

Furthermore, the industry is also very careful not to alienate anyone who may be a prospect.

However, there is a growing momentum to try to resolve this dilemma. Women's needs are being examined more precisely to determine how and why they differ from men and how this may be translated into effectively targeted advertising. "You've come a long way, baby." may never be the clarion call of the automotive industry, but a move toward more frequent women-directed advertisements emphasizing safety features and certain aspects of quality may not be far away for automotive markets. ■

## F. Total employed women readers

| | Total | Single working women | Married no children 2+ Incomes 2+ cars | Married with children 2+a Incomes 2+ cars | All others |
|---|---|---|---|---|---|
| | 41,299 | 16,546 | 4,899 | 7,308 | 12,546 |
| *Cosmopolitan* | 5,372 | 3,172 | 593 | 680 | 927 |
| *Glamour* | 4,039 | 2,225 | 373 | 663 | 778 |
| *Vogue* | 3,150 | 1,773 | 234 | 424 | 719 |
| *Mademoiselle* | 2,845 | 1,575 | 269 | 476 | 525 |
| *New Woman* | 2,740 | 1,211 | 116 | 643 | 771 |
| *Working Woman* | 1,390 | 614 | 59 | 326 | 391 |
| *Ms.* | 1,076 | 703 | 73 | 126 | 174 |
| Total (000) | 20,612 | 11,273 | 1,717 | 3,338 | 4,285 |
| % Gross coverage | 50% | 68% | 35% | 46% | 34% |

Source: '81 SMRB

## D: Total Employed Women

| | Total | Single working women | Married no children 2+ incomes 2+ cars | Married with children 2+ incomes 2+ cars | All others |
|---|---|---|---|---|---|
| | 41,299 | 16,546 | 4,899 | 7,308 | 12,546 |
| **Major Media:** | | | | | |
| Prime *Time Network*/Spot — viewers (000) | 13,938 | 5,484 | 1,717 | 2,210 | 4,528 |
| Newsweekly* — readers (000) | 8,700 | 3,455 | 1,227 | 1,775 | 2,243 |
| Other Major Publications** — readers (000) | 21,285 | 8,471 | 2,564 | 3,988 | 6,262 |
| Total (000) | 43,923 | 17,410 | 5,508 | 7,973 | 13,033 |
| % Potential gross coverage | 106% | 105% | 112% | 109% | 104% |
| **Male oriented media:** | | | | | |
| CBS/*NBC*/*ABC* Football — viewers (000) | 5,614 | 1,759 | 962 | 1,163 | 1;730 |
| ABC/*NBC World Series* — viewers (000) | 6,062 | 2,244 | 664 | 1,175 | 1,979 |
| ABC/*NCAA Football* — viewers (000) | 4,638 | 1,677 | 679 | 891 | 1,390 |
| CBS/*NBC NCAA Basketball* — viewers (000) | 3,629 | 1,134 | 440 | 836 | 1,219 |
| *Sports Illustrated* — readers (000) | 1,554 | 773 | 94 | 326 | 361 |
| *Business Week* — readers (000) | 824 | 357 | 101 | 180 | 186 |
| *Playboy* — readers (000) | 2,021 | 871 | 233 | 428 | 484 |
| Total (000) | 24,342 | 8,815 | 3,178 | 4,999 | 7,349 |
| % Potential Gross Coverage | 59% | 53% | 65% | 68% | 59% |

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* *Newsweek, Time, U.S. News*

** *National Geographic, Reader's Digest, TV Guide*

Source: '81 SMRB

representing his interest during deliberations on advertising strategy.

But the publisher must understand the limits of the account executive's interest in his selling proposition.

I for one (and I believe most others of my kind will agree) am not interested in a publisher's admiration for his property, statistics intended to support claims of leadership (in some respect or another), descriptions of the purchasing process in his industry (which I would be expected, as an agent of my client, to be already familiar with), or in the publisher's interpretation of some reader research the validity of which I don't have the time to examine.

What will interest me is a publication's *dynamics* — the role it plays in the industry it serves as exemplified by its editorial material, by its editors and their contributions to that industry, by statements of its policies in response not only to what's happening within the industry but also to pressures from outside the industry (economic, political, etc.) And, of course, reports of advertiser's successes, including testimonials. ■

**MEDIA RESEARCH**
**by BERNARD GUGGENHEIM**
senior vp, dir. media info services
Campbell-Ewald/Detroit

## The football strike — what happened?

Many people have habitual television viewing habits. They finish dinner; they turn on the tv set and select the program that they would like to watch. Television viewing is a part of the lifestyle of many Americans. These habit patterns are so regular and so stable that you can look at the homes using television level for Monday night at 8 o'clock for the first Monday in January last year and be quite confident that this year's HUT level will be virtually identical.

This predictability is a fundamental part of the procedure used to estimate future programing performance. You start with the prior year's estimate of homes using television. We almost always assume the HUT is stable from year to year. But there are exceptions.

There is the occasional "hit" program which succeeds in significantly raising the viewing levels relative to prior year levels. This happened when *All In The Family* first came on; when *Roots* was telecast; and more recently when we found out who shot J.R.

Do time period viewing levels *ever* drop significantly? Yes . . . What goes up also occasionally comes down! VIZ — THE STRIKE.

Genital herpes viruses may live on towels for 72 hours and on toilet seats for four hours. Choose your bathrooms carefully.

The latest news about genital herpes isn't exactly encouraging. The January Reader's Digest reports that this incurable disease doesn't even depend on genital intercourse for transmission: Contact with an infected finger, mouth, towel or toilet seat may be sufficient.

And once someone gets genital herpes, a recurrence can be triggered simply by the stress of *worrying* about it.

This kind of news makes casual sex less attractive. But this kind of reporting helps The Digest* attract 39 million readers.

Reader's Digest ®

A favorite Sunday pastime has been watching live pro football. Unfortunately a players' strike resulted in a traumatic period for many of us — both professionally and personally.

From a professional point of view, football sponsors have the problem of "re-expressing" their advertising weight in different programs.

From a personal point of view, the football viewer had a choice: to watch the replacement programing that the networks put on, to watch independent station programing or, if they had cable service, to watch cable-originated programing. The other alternative was to not watch tv at all.

It may not be a surprise when I tell you that a substantial number of people — both men and women — elected to turn their sets off completely!!!

Table A details the persons using television levels for the first six weeks of the football strike period vs. the matching 1981 period. Male viewing audiences declined 33% and female audiences 21%. In my experience this represents the most substantial change in viewing levels ever experienced as a result of a programing change.

You might jump to the conclusion that the more affluent males turned off their tv sets. If you did, you'd be wrong. Table B shows that affluence had nothing to do with it, let along occupation or cable availability. Just about every demographic cell examined fell off 30% vs. last year.

Television viewing levels occasionally deviate from the norm. Occasionally they go up and rarely do they go down. But in both instances, I believe we learn something.

As we have seen, overall viewing

### A: Football strike period — persons using television levels (Sunday 1-4 p.m.)

| | | 1981(1) | 1982(2) | % Change<br>1982 ± 1981 |
|---|---|---|---|---|
| **Men** | | | | |
| | 18-34 | 36.7% | 23.4% | −36% |
| | 35-54 | 35.1 | 25.2 | −28% |
| | 55+ | 36.6 | 24.2 | −34% |
| | **Total Men** | **36.1** | **24.2** | **−33%** |
| **Women** | | | | |
| | 18-34 | 22.5% | 15.8% | −30% |
| | 35-54 | 22.0 | 18.8 | −15% |
| | 55+ | 22.4 | 19.2 | −14% |
| | **Total women** | **22.3** | **17.7** | **−21%** |

Source: A. C. Nielsen

(1) 9/28-11/8 1981
(2) 9/27-11/7 1982

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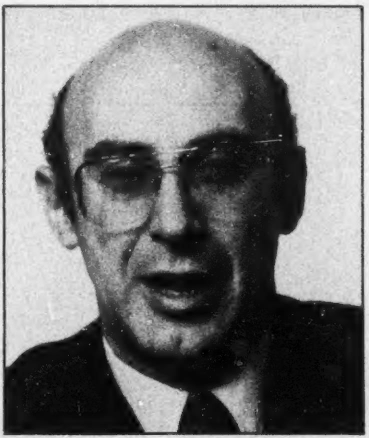
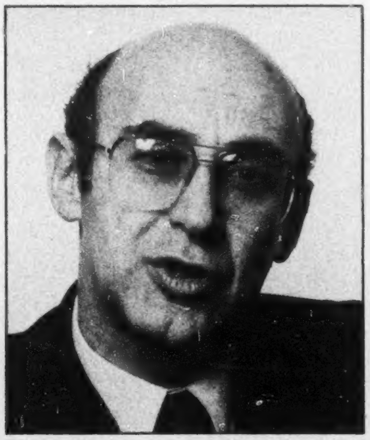
## PLAYBOY INDUSTRY VIEW: ART WILEN

*comments on media strategies, from the executive v.p./media director, the marschalk company, inc.*

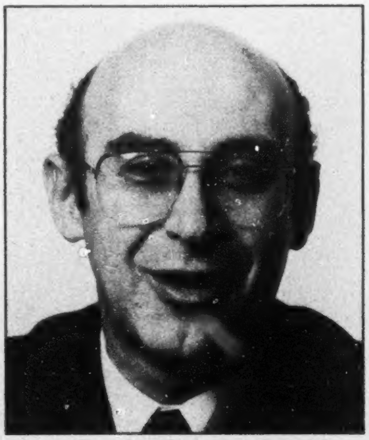
PHOTOGRAPHY BY JOOK LEUNG



*"When we recommend a media plan, we're actually acting as financial consultants. Once we understand a client's marketing objectives, we bring him investment opportunities through media."*



*"We have a creative philosophy called 'emotional hard-sell.' We try to extend our creative strategies into our media selection—to carefully match the message and the medium for the strongest sale."*



*"Print offers the advantage of reaching a specific target in a specific environment. It lets us take the message beyond a single thought and turn it into a complete information piece."*

levels dropped significantly when football was off the air. This, too, is a clear-cut testimony to the appeal of this programing form.

In addition, the fact that so many people *declined* to watch any of the alternative programing available demonstrates their involvement with this programing format. These people turned away from television! They painted their house; they went hunting; they read a magazine, or they spoke to their wives! But they *didn't* watch any other television. Maybe we'll even have a baby boom next summer! ■

## B: Sunday 1-4:30 p.m. — Men 18+, persons using television levels

| | October | | |
|---|---|---|---|
| | 1981 | 1982 | % Change |
| Total | 36.4% | 25.5% | −29.9% |
| < $15,000 | 39.3 | 26.4 | −32.8 |
| $15,000+ | 35.6 | 25.2 | −29.2 |
| $20,000+ | 35.4 | 24.8 | −29.9 |
| $30,000+ | 33.6 | 23.8 | −29.2 |
| $20,000+ Professional, owner, manager | 36.2 | 25.1 | −30.7 |
| Any cable | 40.3% | 28.2% | −30.0% |
| No cable | 34.7 | 24.0 | −30.8 |

Source: A. C. Nielsen, N.A.D.

**LAYBOY:** You want to make the most of
our client's ad budget. So when the plan
alls for effective—and efficient—reach
o the male market, invest in a blue chip.
LAYBOY.
PLAYBOY is the medium that works *with*
he message to build interest in a wide
ange of products. From clothes to cars
o spirits to recreational gear, if it's of
nterest to men, it's featured in PLAYBOY.
s part of a total information and en-
ertainment package that helps men get
he most out of life. And puts them in the
nood to buy.
Take your client's message beyond the
age it's printed on—to nearly 13 mil-
on affluent, acquisition-oriented men
hose interest in living well pays
andsome dividends for you. Advertise
n PLAYBOY.

**Playboy means business.**

ource: MRI, Fall 1982—adjusted. © 1982 by Playboy.

## BUSINESS PRESS

**by MICHAEL A. WALSH**

senior vp
Aitkin-Kynett, Phil.

### International effectiveness

Both because of the tightening economy as well as shrinking near-or-saturated traditional markets, most U.S. manufacturers are faced with a continuing search for new markets. While these markets can be vertical markets within the U.S., many times they unfold broader markets outside of the U.S.

During the past 25-30 years, opportunistic U.S. companies have looked overseas to expand their sales potential. This opportunity has even been more expanded in the past several years with the opening of Middle East markets, as well as the Soviet Bloc.

The primary point here is the way in which U.S. manufacturers can market abroad initially. An obvious approach is to use national trade publications that exist in overseas countries much in the same way our own publications are used here in the United States. In view of this, there is a heavy burden on U.S. media people to both analyze and recommend local national publications abroad for these purposes.

As has been found by those who have looked into international media, there are relatively few publications serving any given market and, furthermore, overseas industrial markets (as compared to the U.S.), are highly fragmented in terms of the various countries in which they exist.

Beyond this, overseas publications, as compared to those in the U.S., are not as strong either from a quantity (circulation) or quality (editorial) standpoint and, furthermore, lack the depth of publishing sophistication contained in U.S. books. This opinion is acquired from observations of overseas U.S. personnel who are involved with markets in question as well as our own observations in analyzing the publications directly. Furthermore, a significant amount of the editorial contained in the local/national publications abroad are pick-ups from editorial that appears in U.S. publications.

As a result of this, readers in overseas countries look to U.S. trade publications for technological editorial which is not readily available in their own magazines. One very apparent basis for this observation is that technical publications in this country that formally did not seek overseas circulation suddenly find that a relatively large percentage of their total circulation is going to other parts of the world. This is particularly true of in-depth technical books as opposed to those whose editorial deal primarily with news, management and merchandising subjects.

For example, in a fast emerging

BEST AVAILABLE COPY

field (data processing/etc.) this trend is highly evident. In looking at some 30 publications in this category, those with highly technical editorial have a significant part of their circulation going overseas. Conversely, those with less technical editorial find that there is little or no demand for their content abroad. It is also interesting to note that among those technical publications that employ controlled circulation in this country, their overseas circulation commands a relatively high paid subscription price. This a further indication of the demand which our more sophisticated editorial achieves.

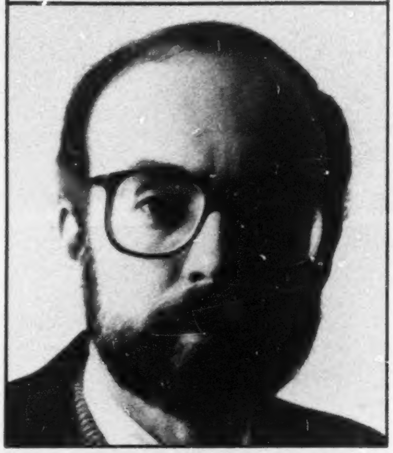
In the broader electronics category, the amount of overseas circulation generated by our technical publications is even more apparent. For example, in the case of such publications as *EDN, Electronics, Electrical Design, Microwave Journal* and *Microwaves*, the percentage of overseas circulation (of the total) ranges from 15% to 28%.

The point of this is that for those manufacturers interested in expanding their markets overseas, possibly the most effective media vehicles for them exist here in our local business press. There is little question this competitive situation might help to upgrade the quality of national books abroad as time goes on. However, the fact that our publications are so strong overseas points to a current substandard situation among local overseas trade media. This is as a result of their editorial content being inadequate for the needs of their marketplace.

> **"For those manufacturers interested in expanding their markets overseas, possibly the most effective media vehicles for them exist here in our local business press."**

Until the time that this situation changes and local overseas media develops beyond where it is today, U.S. manufacturers will do well to recognize the effectiveness of U.S.-based publications in other parts of the world. ■

**OUTDOOR**
**by JOHN MILLER**
group spvr, media
Y&R/New York



## Outdoor goes to college

Actually, outdoor has always been in college but hardly anyone ever noticed.

Do you remember your freshman marketing course when the assistant professor, in a hurry to wrap up the semester, touched briefly on this billion dollar a year business: "Of course, there's another way to reach consumers through billboards and other forms of outdoor advertising. Well, have a nice summer and be sure to turn in your term papers by Thursday afternoon."

That's exactly how it happened to me. But nevermore, if the Institute of Outdoor Advertising has its way. A unique cooperative effort between the Traffic Audit Bureau and the Institute, as well as the major outdoor advertising companies, has given birth to a dynamic approach to helping college and universities teach a comprehensive course on outdoor advertising to business and marketing students.

"Outdoor Goes to College" is the catch-phrase for an educational kit dealing with the principal facets of the out-of-home media business. It covers creative and media considerations and helps to position outdoor in its unique spot in the marketing world.

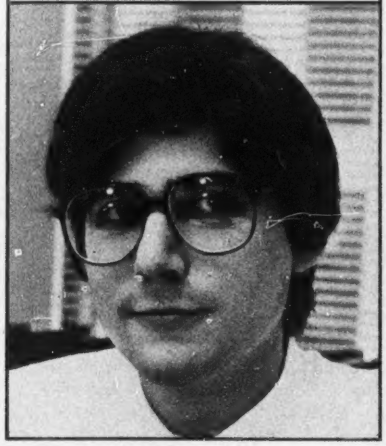
Among the audio-visual presentations included in the package are the "Media Insurance" slide presentation prepared by Foster & Kleiser, and the four videotapes that make up the Gannett Outdoor Creative series. Several other audio-visual and printed materials are provided. Together they create the most comprehensive guide to the outdoor medium ever assembled. The kit is available free to qualified colleges and universities and will be updated on a continuing basis.

The kit is also available at cost to interested groups in the advertising community, and it provdes a thoughtful response to those of us who have complained of the lack of information and training opportunities in this unique medium.

Outdoor was called the misunderstood medium, but some of its value must have gotten through to the right people, for in the past ten years expenditures have nearly tripled, making the oldest form of communications the fastest growing among major media.

The next ten years may show even greater growth now that campuses across the U.S. will be using "Outdoor Goes to College" to demonstrate, inform and educate. ■

**TELEVISION**
**by KEN SACHARIN**
assoc. media director
Compton Advertising/New York



## Why no research on tv clutter?

Imagine that if all consumer magazines were to make the following pronouncement to potential packaged goods advertisers:

*1) In the future, advertising space will be consolidated in and restricted to* *five to eight separate "banks" throughout the magazine.*

*2) Each bank will consist entirely of five to nine ad pages (i.e., no editorial material).*

*3) The only positioning guarantee available to advertisers: "Each brand will receive equitable rotations within advertising banks."*

The situation described above would alarm most advertisers who rely to some degree on advertising in magazines to generate sales. Why? By anyone's measure, the more cluttered the advertising environment, the more limited any individual ad's effectiveness will be.

"Clutter" and "effective" are charged words in our business about which there exists little or no agreement. The fact remains, however, that advertising works if and only if the ad is perceived and some information about it is retained.

Positions opposite editorial material are especially important for "low interest" category packaged goods whose potential consumers cannot be relied upon to leaf carefully through each bank pausing briefly to scrutinize each ad.

The net result of such a system: Advertisements buried within banks will, on average, be seen by fewer readers than those facing editorial material. And "equitable rotations" guarantee only that any given brand will suffer disadvantageous positioning (within bands facing other ads) more often than it will enjoy superior positioning (leading or ending a bank, facing editorial pages).

In fact, however, advertisers currently tolerate — *indeed wholeheartedly support* — such a system in network and spot television with suprisingly few complaints!

In recognition of those who will bristle at such inter-media comparisons — it is not my intention to assert the similarities between print and broadcast media. Admittedly, magazines and television are "consumed" differently. But the metaphor is compelling nonetheless.

Tv advertisers evaluate target audience delivery, cost-per-thousand efficiency, and reach accumulation on the basis of projected program audience. But there is no commercial time available during programs.

**Effect of clutter on commercial audience size**

(Data from commercials of all lengths)

| Position in chain (Regardless of length of chain) | Commercial audience size as % of program audience | |
|---|---|---|
| | 1965-71 study | 1972-81 study |
| First: | 71.3 | 69.0 |
| Second: | 69.6 | 68.0 |
| Third: | 63.5 | 65.0 |
| Fourth: | 64.4 | 62.0 |
| Fifth: | 64.9 | 66.0 |
| Sixth: | 64.6 | 68.0 |
| Seventh: | 65.6 | 65.0 |
| Eighth: | 66.2 | 65.0 |
| Last position in chains of 4 or more items: | 68.2 | NA |
| Burial in chain preceded and followed by 3 or more items: | 61.4 | NA |

Source: Burke Marketing Research

Commercial time is generally-vailable within pods — long strings of commercials.

While most advertisers and their agencies recognize this fact, remarkably little is done about it. In the print medium, advertisers demand and frequently receive positioning that enhances the opportunities for exposure.

In television, advertisers rarely request particular positions *within commercial pods*. More often, if any specific request is lodged, it will be for positions within the program: "first half hour," for example. Rotations within the pod are infrequently monitored. And adjustments in audience delivery estimates to account for pod position are never made.

Precious little research has been conducted which addresses this issue — the question of tv position. However, all major studies bearing on this question corroborate the following findings of Burke Marketing Research's 1965-71 study:

(1) Audience size erodes during commercial breaks,

(2) Within the pod, audience size peaks during the first commercial position,

(3) The largest decrement in available audience is associated with the middle positions — those buried within the chain.

Additional research may fine-tune the figures, but it is clear that the first position in the commercial pod adjacent to programing is the most preferable. It is also certain that this coveted pod position cannot be occupied by all commercials all of the time.

With regard to the major television networks, very little can be done about this. Currently, it is a seller's market. With demand outpacing supply, ABC-TV and NBC-TV refuse to discuss guarantees on first position, arguing instead that all advertisers will be rotated equitably within pods. After preliminary discussions, CBS-TV indicated that guaranteed pod positions might be obtained through negotiation on a limited basis.

The networks' touted "equitable rotations" can be monitored on a regular basis, and any irregularities might be used as a negotiating tool, or as the basis for makegood requests.

Guaranteed first position in the commercial pod might be more successfully negotiated in spot television.

When examining media types during the planning stages, advertisers may also want to consider the potential for favorable pod positioning. For example, individual stations or dayparts might be avoided which tend toward longer commercial pods, thereby increasing the *probability* that any given brand may experience poor positioning within the pod.

Finally, advertisers must encourage

"What really impressed them was that 92.5% of HBR subscribers are managers and professionals."

The more you know about HBR, the better it fits.

Harvard Business Review

New York, NY (212) 972-0740
Boston, MA (617) 495-6182

more research to determine with greater accuracy the extent to which pod position determines potential audience size. For example, the major studies measure prime and access time only and do not factor into their analyses the breaks between programs.

Media expenditures comprise the largest component of the advertising budget. It behooves advertisers to learn what they can about pod position to ensure that media dollars are spent wisely.

Definitive studies in this area have yet to be done. ■

**MAGAZINES**
**by DAVID C. LEHMKUHL**
vp, group media director,
NW Ayer, Inc., New York.

## Breaking rate cards hurts magazines

Even since Ken Caffrey of Ogilvy & Mather discussed the subject at the recent Magazine Publishers Association meeting, rate card breaking has been a hot topic in many meida circles. The subject has gotten considerable attention in the trade press with everyone but magazine publishers thinking it's a pretty good idea. And it is a good idea, in concept; after all, how could anyone be opposed to such a money saving-idea.

I think, however, that the subject is not so one-sided and clear-cut, unless you are one who considers only *quantity* of exposures and forgets about *quality* of exposures. Despite the fact that many of the leading names in our industry have presented strong argu-

"The match was won by pointing out that 49.9% of HBR subscribers are chairmen, presidents, managing directors, chief administrators and top managers."

When they have the facts about HBR, people are impressed.

Harvard Business Review

New York, NY (212) 972-0740
Boston, MA (617) 495-6182

# BRAND REPORT 83:

# Paper Towels and Tissues

Does the word Charmin ring a bell?

More shoppers have surreptitiously squeezed this product over the years than ripe cantelopes — a testament to successful if not exactly enlightened advertising.

Mr. Whipple has done his duty in the marketplace too. Charmin is the number one selling bathroom tissue in the land with no contender in sight, which is quite a feat in a business where brand loyalty depends more often on price than squeezable softness.

As a premium priced brand, Charmin has managed to keep at bay those hordes of cheap generics and private label brands that stormed the market a few years back.

But Charmin's success is even more noteworthy when considering the fact that about the only things squeezed nowadays in the paper business are company profits.

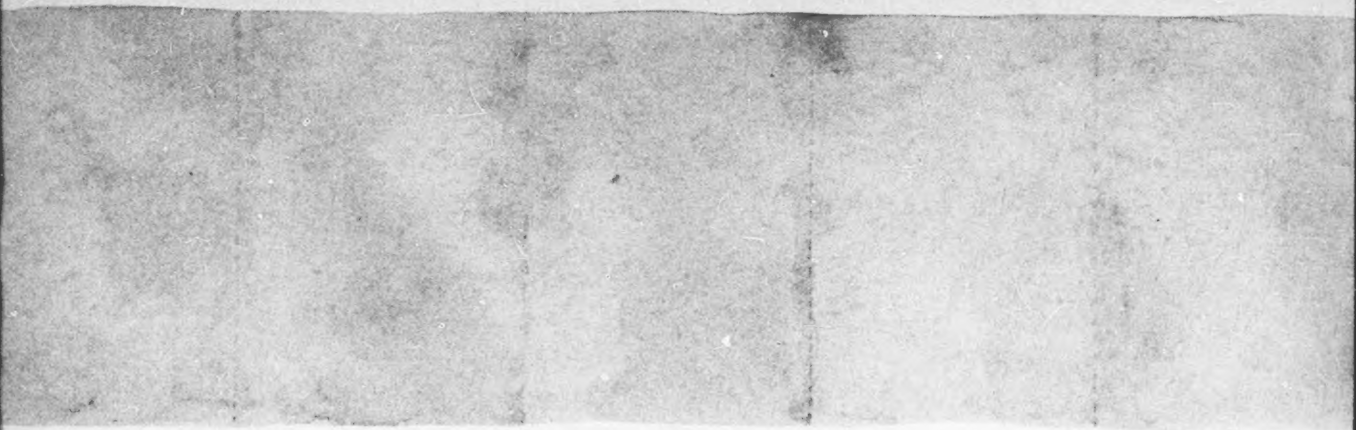
All industry indicators point to a pervasive flatness in towel and tissue production, which translates into only slightly higher shipments — and sales. *Pulp and Paper*, a West Coast trade publication, estimates that tissue production was down 3.6% this year.

Bathroom tissue, towel, napkin, and facial tissue shipments (both production and shipments are the standard industry yardsticks) revealed moderate gains however. A simple reason can be attached to this phenomenon: there are fewer sheets in every roll or box, which means lighter production but slightly higher consumption as the purchaser runs out sooner, according to an industry report.

As with any industry where sales and market shares are taking a beating, the advertising and promotional atmosphere has become galvanized. Tissue and towel producers, like the airlines, promote vigorously to eke out minute gains in market share in this heavily saturated and mature industry.

Because the national market is so heavily dominated by the behemoths, Scott and P&G, smaller contenders slug it out on regional turf — close to their mills and distribution networks — which spells heavy use of spot tv and radio. Net tv supports the umbrella for those products that sell beyond localized areas.

While sales have not spurted dramatically for anyone — except the generics which are not advertised — media expenditures have exhibited the opposite behavior. The latest LNA figures show a gain of 20% for the most heavily touted brands of Scott but a surprising loss of 19% for P&G's brands, Bounty, Charmin, and White



Cloud. These figures are based on expenditures for the first six months of 1982 versus those of the comparable period last year, showing only six media.

A few other characteristics of this far from placid business should be noted:

- **The growth of generics** appears to have finally peaked along with the rest of the industry. "It scared everyone to death" at first, says one.

Indeed, generics greedily soaked up sales in both towels and tissues back in the late seventies, but plateaued by 1980. The generics' gains were especially damaging to sales of lower-priced branded products; however, premium priced brands were not so adversely affected. Products like White Cloud, Charmin and Scott tissue have managed to hold up well — with, of course, generous ad and promotional support.

Generic products have continued to gain on towel products, which are less recession proof than bathroom tissue. Estimates one source, generics now have 20% market share in the bathroom tissue arena, 25% in paper towels, and below 30% in facial tissue. (Private label shares are included in these figures.)

There's a solid possibility that generic strengths may vary region to region. For example, Jim Jermann, director of groceries for Hannaford Stores, a New England chain, reports that generics are the number one selling brand in his stores.

- **Reduced sheet counts** in many products have sent up howls from various consumer advocates. This little controversy has not crept unnoticed past marketing and packaging departments of the affected companies.

What happened was the result of two factors:

(1) New manufacturing processes, that improved strength and absorbency of paper, enabled the maker to put less fiber in a roll of bathroom tissue or towel. Thus the sheet count was reduced.

(2) Paper companies reduced sheet counts in exchange for maintaining the price of the product — a simple cost-cutting move.

Kleenex TOWELS
SPECIAL 69
Bounty
ScotTowels
NEW! Improved, More Absorbent
Coronet
125 SHEETS 2-PLY TOWELS

Both factors converged at P&G. Sheet counts were reduced on both Charmin and White Cloud, but the company claims the quality of both was improved (i.e., more absorbent and softer.) Bounty, however, shrank a few sheets because "the company wanted cost reductions" on the product, says a spokesperson.

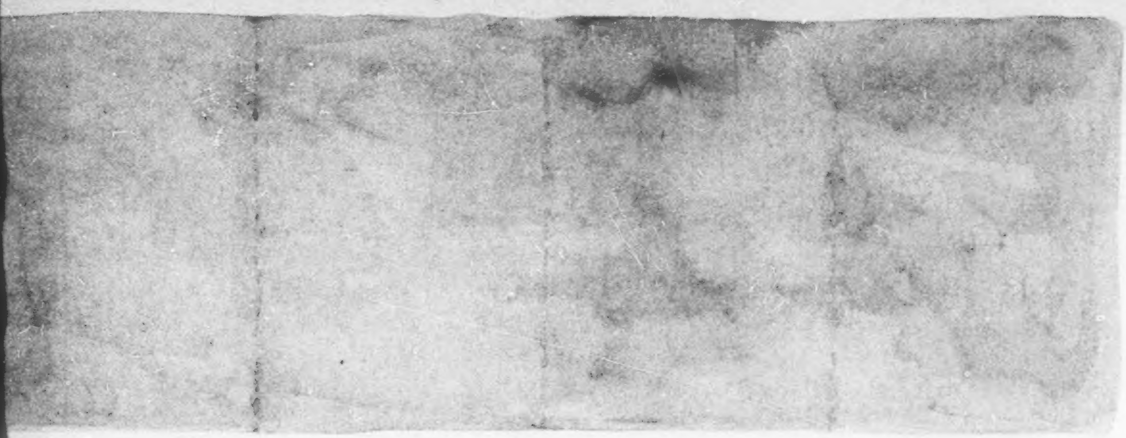
P&G, as this sensitive company is wont to do, carefully explained these moves on its packages, but criticism erupted when costs still increased at the retail level. Not only was P&G affected, but numerous other makers attempting to skim their expenses. "There was a hidden price increase over a hidden cost reduction," explains George Adler, paper analyst for Smith Barney.

Advertising has not capitalized on the fact that certain brands have more — or fewer — sheets than others. Explains Adler, "companies have to be careful because at one time or another they all play those games."

- **Value brands** are among the most recent new products. Take Procter & Gamble, for example, whose recent entry lends more credibility to this trend. A new towel product, called Merit, is coming out in test markets. P&G is also, according to one report, experimenting with a smaller bathroom tissue roll, which will be priced competitively with the other lower priced brands on the shelf. P&G had shunned this market for decades — perhaps because it would have cannibalized sales of its own highly profitable premium brands. But when sales were crunched by the economy brands, the company did some re-thinking.

Kimberly-Clark and Scott have traditionally worked this market, with some success. Both of these companies were in auspicious positions when the recession hit: because they had strong brand names, the consumer "traded down" to their low-priced products when looking to save a few pennies.

- **Re-usable towels** are gaining steam, but some question their long term growth. "They defeat the purpose of paper towels," says director of



advertising for consumer paper products at Georgia-Pacific, Arthur Petrey. Paper towels, notes Petrey, are disposable and cheap. Re-usables "defeat the purpose" of paper towels, an objective few paper makers aspire to.

Companies involved: James River, Scott, and Kimberly-Clark (Tough Cat).

- **Promotion** has become the buy-word of the slow growth paper business.

"Everyone searches for some stimulant," says Arthur Petrey of Georgia-Pacific.

Rare is the package of bathroom tissue or box of facial tissues without an offer. Marcal, a brand sold widely throughout the New York area, is one example: during a recent promotion, "sports" wallets were sold for $2.98, but for each purchase a $1.00 rebate on the next purchase of Marcal products was given.

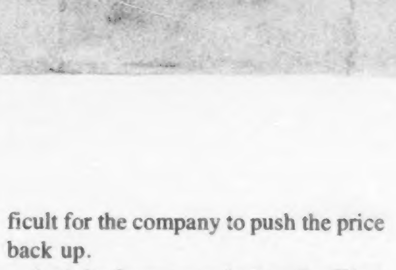
Promotion figures importantly in every campaign. Cents-off coupons are frequently used; but just as frequently, prizes of various sorts are bestowed on the collector of the most coupons.

The hectic promotion activity has helped various brands to notch small percentage gains in market share in this intensely competitive field, but it has also depressed profit margins for many companies. Like the airlines, competitive price strategies are often built into the promotion — for example, a premium four-pack of tissue paper is marked down a few cents, perhaps in response to a similar move by a competitor. Once down, it's difficult for the company to push the price back up.

Activity became so hot on the West Coast that Scott announced it was getting its own brands out of the fray for a while. Prices, it announced, would be stabilized on all brands while savings realized from this move would eventually be "passed on" to the consumer.

- **Media strategies** for most brands is two-pronged:

Television is used for weight advantages and for efficient delivery of impressions to the most important consumer of their products, women 18-34 (though makers note a rising incidence of male shoppers joining their ranks).



Newspapers are used primarily for coupon drops.

Newspaper expenditures for all consumer paper products in 1981 were $2,669,230, a 10% decrease from 1980.

Net tv expenditures were in 1981 a 10% gain over the previous year. Spot tv saw an increase over 1980 expenditures of 12%.

Also important is radio, which is used as a promotion tool for some brands, as are magazines, which are part of the mix for many. Some marketers of paper products like magazines which are sold at the check-out counters — not only because they target the shopper directly but also because store managers responsible for selling and positioning their products also read the books. Here's what individual companies are doing:

## Procter & Gamble

It should come as no surprise that P&G is far and away the heavy hitter on a per brand media expenditure basis.

Though LNA figures for 1982 have not yet been compiled, we managed a peak at the first six months which confirm P&G's continued claim to this distinction.

Bounty, which SAMI figures indicate is the number one selling towel brand in the U.S., had spent over $7 million in magazines, network and spot by June. (Some towel and tissue marketers warn us that LNA consistently low balls expenditures for their brands — perhaps failing to catch in their fish net regional network expenditures.)

Bounty's heaviest push came in net tv which saw $5.6 million for the first six months of '82. Total year network expenditures will probably exceed $12 million for the brand, holding to a pattern that saw large gains in net spending for this brand over the past three years.

P&G gives substantially heavier dollar clout to Bounty than to its other

## Media Expenditures of Leading Paper Product Brands in 1981

| Company & Brands | Total | Radio | Magazines | Net Tv | Spot Tv | Newspapers | Outdoor |
|---|---|---|---|---|---|---|---|
| Crown Zellerbach | | | | | | | |
| Tuff N'Ready Towels | $ 709,600 | — | — | — | 709,600 | — | — |
| Zee Nice N'Soft | 1,012,800 | — | — | — | 928,900 | 49,927 | 34,000 |
| Georgia-Pacific | | | | | | | |
| Coronet (multi-products) | $ 2,178,499 | — | 372,500 | 1,820,600 | 166,700 | 80,978 | — |
| Coronet Bathroom tissue | 1,413,700 | — | 14,000 | 1,341,400 | 72,300 | — | — |
| MD Bathroom tissue | 465,900 | — | 161,300 | — | 304,600 | — | — |
| James River | | | | | | | |
| Aurora | $ 1,143,500 | — | — | — | 1,123,600 | 19,940 | — |
| Bolt | 1,117,000 | — | — | — | 1,103,300 | 13,720 | — |
| Galla | 890,900 | — | — | — | 849,300 | 41,650 | — |
| Northern (tissue & towels) | 1,486,700 | — | — | 986,800 | 484,100 | 15,760 | — |
| Kimberley-Clark | | | | | | | |
| Kleenex | $ 1,293,600 | — | 15,400 | — | — | 1,169,300 | — |
| Procter & Gamble | | | | | | | |
| Bounty | $12,405,300 | 1,000 | 48,300 | 9,257,700 | 3,007,400 | 130,445 | — |
| Charmin | 8,080,500 | — | — | 5,099,300 | 2,925,300 | 55,960 | — |
| White Cloud | 9,155,600 | 16,224 | — | 2,208,300 | 6,931,100 | — | — |
| Scott | | | | | | | |
| Cottonelle | $ 2,433,100 | NA | — | 357,300 | 1,854,400 | 221,400 | — |
| Job Squad | 2,905,900 | NA | — | — | 2,518,400 | 387,500 | — |
| Scott paper products | 4,824,600 | NA | — | 33,000 | 4,516,100 | 208,300 | 67,200 |
| Soft N'Pretty | 423,140 | 8,840 | 104,700 | — | — | 116,400 | — |
| Viva | 999,400 | 85,660 | — | — | 752,500 | 161,200 | — |
| Scott bathroom tissue | 857,500 | NA | — | — | 714,900 | 142,600 | — |

Sources: LNA BAR RER Media Records

paper brands, Charmin and White Cloud.

LNA reveals that Bounty's magazine expenditures have also increased, after a lull in 1981. Expenditures for the first six months of 1982 were $775,000; expenditures in 1981 were only $48,000.

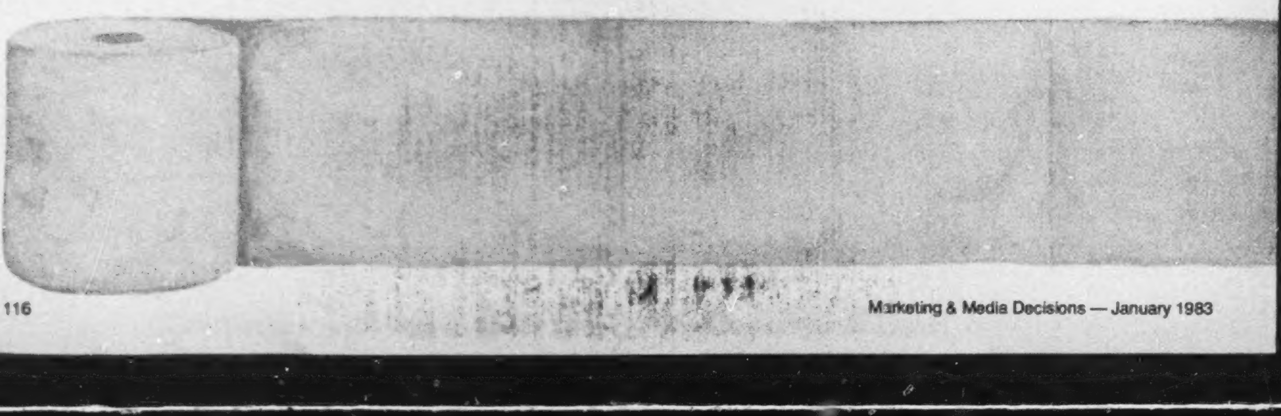
White Cloud, the company's other premium bathroom tissue brand which is sold only East of the Rockies, is positioned similarly to Charmin. Taglines in ad copy stress the products' softness. For White Cloud, the motto reads, "little things mean a lot;" and for Charmin, "squeezing gets you; the softness keeps you."

In terms of budget size, both brands mirror one another. Because of their differences in distribution (Charmin is national) the allocation of dollars is different: White Cloud is a heavy spot tv presence, with over $3 million spent in the first six months. Net tv figures were roughly half this figure.

Charmin's spending is in inverse proportion to White Cloud's, with net tv collecting most of the money. $4.5 million was spent in the first six months; less than a million was spent in spot during the same period.

White Cloud, SAMI tells us, is the number four brand on the market.

As mentioned P&G is currently exploring the paper business for other means of access, most likely with an economy brand. The company has yet to announce its intentions with Merit, the towel product currently in test.



P&G's most spectacular failure in its paper products division was Rely. A lesser known mis-cue was Summitt, a low priced bathroom tissue brand that the company distributed to non-food stores. The reason: it didn't want to cannibalize sales of its well established brands in supermarkets. Unfortunately, shoppers didn't adjust their habits enough to buy tissue from any place other than a supermarket and the brand flopped. "You see," says Smith Barney's George Adler, "P&G makes mistakes too."

## Scott

Scott, the other big name in household paper, is making some adjustments in its consumer marketing program. The scope of these will depend on the outcome of several projects currently underway.

These projects focus on pricing strategy and strengthening of the company's brand name.

Indeed, the entire company is realigning itself under a recently announced capitalization program.

Seeking to pull out of un-profitable areas and strengthen profitable ones, Scott hopes to make a fast break in a business that becomes more sluggish with every passing day.

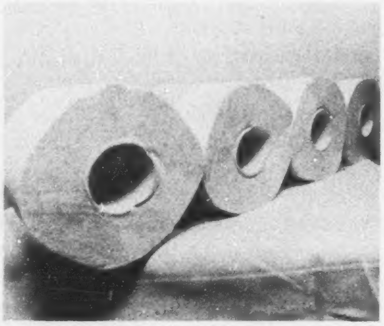
The West Coast pricing strategy, already mentioned, figures prominently in this process. The problem of promoting began to snowball into a serious problem for both retailer and the company.

Basically, promoting often begins between these two parties. One company may offer a store a crate of tissues for less than a dollar the going market rate. In turn another manufacturer offers the retailer a slightly sweeter offer — and the bargaining begins.

After such a round of promotion the retailer ends up with more stock than he can hope to sell within a month and then passes up an order the following month. The process damages the cash flow for both parties.

"We determined that if we stopped dealing so much, we'd have an across the board saving which we could pass on to the consumer," notes Marian Lockett-Egan, vp-media, Scotcom, Scott's in-house agency.

Another by-product of the promotion binge was loss of brand loyalty. Says Lockett-Egan, "The more promotional you get, the less consumer loyalty you have."



Scott proceeded to lower prices and advertised the move with a campaign designated "The Everyday Low Price Plan."

The plan may spread to other regions if this campaign meets with success.

Another new project has been dubbed the Scott Value line, which is tailored to maximize the Scott brand name.

The idea of this project is to stretch use of the widely recognised Scott brand name.

"We wanted to maximize the use of the Scott brand name to its fullest ability," says Lockett-Egan. "We took name brands from the Northeast and Central areas of the country and represented them as Scott value, defining value as a combination of value and quality, rather than simply price or quality."

The tag-line, "Scott Value," features only those products which already have the Scott brand name.

The company's media authorities are also exploring infomercials — that new and as yet untested form of advertising that gives the consumer information as well as a plug. An actress featuring name-sake Ann Scott gives the viewer or reader a dosage of tips in every ad. These have appeared on *The Home Shopping Show, the Weather Channel*, and as one third page verticals in some of the women's books.

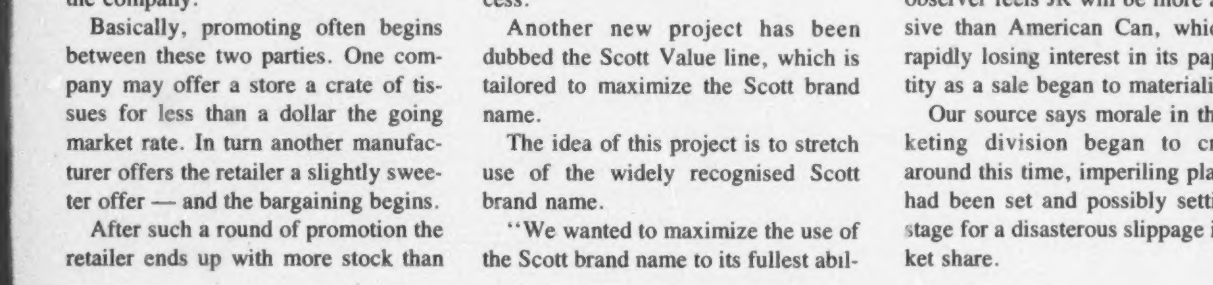
## James River

James River is picking up where American Can left off with the paper brands of Dixie-Northern.

The entire division was sold to the Virginia-based pulp and paper manufacturer last year after American Can decided it wanted to pull itself out of one capital intensive business — either cans or paper — and concentrate its energies on financial services.

How this move will affect the advertising and marketing of Aurora, Bolt, Galla, and Northern — all multi-million dollar media investors — still remains to be seen. However one observer feels JR will be more aggressive than American Can, which was rapidly losing interest in its paper entity as a sale began to materialize.

Our source says morale in the marketing division began to crumble around this time, imperiling plans that had been set and possibly setting the stage for a disasterous slippage in market share.



"We went through an unsettling period," says James River director of sales and marketing Paul Bova, who was an American Can transplant. "We did things in marketing and sales just to hold the organization together."

A variety of "team building" exercises were initiated — ones with little impact on the field but mostly designed to patch up the ailing structure.

Part of the plan was to go to retailers and tell them to maintain their commitment to the brands, a commitment that was rapidly fading as the months passed.

The most heavily advertised brands in Dixie-Northern come under the Northern brand name. Products include towels and bathroom tissue.

1981 expenditures were pinpointed by LNA at $1.5 million, the bulk of which went into net tv and spot (Northern is sold mostly in the Northeast).

Aurora and Bolt, each with expenditures surpassing $1 million, are mainly spot tv advertisers; like Northern, newspaper is used for coupon efforts.

## Georgia-Pacific

Georgia-Pacific's tagline for its primary tissue and towel product trumpets a standard theme sounded thoughout this cost - conscious industry: "Extra value is what you get whenever you buy Coronet."

Promotion, stretched through radio and newspaper, re-inforces this theme; and television supports it with a national backbone.

"We generally run a wave of tv ads when we run a package promotion," says director of advertising Arthur Petrey.

Though tv ads are not always tailored to inform the viewer of the running promotion, G-P reasons that if enough ads are played the consumer will sit up and take notice.

A recent promotion — a simple variant on a standard practice by Georgia-Pacific — offered the purchaser a $3.00 rebate on a pair of Thom McAn shoes if he could show four proof-of-purchase stickers.

Another promotion: after mailing in the requisite proof-of-purchase stickers, the company sent a Norman Rockwell print.

The media for such ventures: magazines and the package itself. Unfortunately for magazines, "we get more (returns) from the package than the ad (coupon)," says Petrey. "So the package is the best medium."

G-P ads for Coronet are frequently slated for magazines that can be purchased at the point of sale in a supermarket. The reason: "If the books are in the store, the *grocer* will thumb through them and see we have done a promotion," says Petrey. This naturally helps shelf placement of the product. Some of the books used: *Ladies Home Journal, Family Circle, Woman's Day, Redbook, People* and *US*.

> **"We did things in marketing and sales just to hold the organization together. — Paul Bova, director of sales and marketing at James River."**

Coronet, with a 10% market share in tissues and towels, gets marketing adrenalin from a heavy tv schedule that places close to $8 million a year in time.

This budget includes spot as well as net expenditures. The net campaign, which serves as an umbrella and back bone for Coronet products, gets heavy support on a spot market basis.

The schedule's network program recipe is as follows, says Petrey: 40% daytime, 20% morning news, 20% evening news and 20% primetime. Petrey explains that this mix delivers the maximum level of efficiency to Coronet's target audience, which is composed of men as well as women.

Radio figures as an important medium for Coronet because it complements major promotional events. One event featured a musical jingle on a package of tissues — but only half the jingle. To win the prize, the purchaser was required to get the other half — featured on, of course, another package. Radio ads played the entire jingle — in effect, giving the listener a clue to the other half. Winners received $1,000. "This would cost a fortune on tv," notes Petrey.

Most package offers are tied into print or radio.

G-P's other major brand group, MD, a premium priced bathroom tissue, is positioned against Charmin and others of its ilk. It's sold in only ten states.

Media expenditures are proportionately slighter with a less than $500,00 spent in spot tv and magazines.

## Crown Zellerbach

Crown Zellerbach, the huge paper conglomerate situated on the West Coast, is not a massive presence in media. The reason is that most of its products are distributed on the Coast, hence most money goes into spot tv in those markets where sales are heaviest.

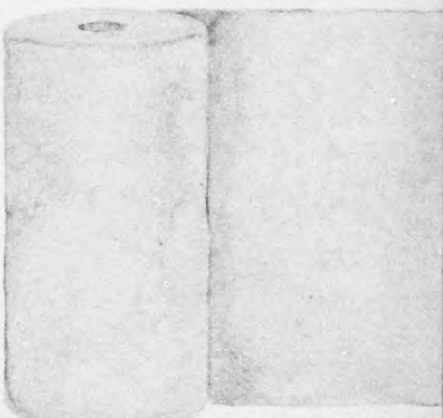
C-Z does a bit of outdoor tailored to the Spanish market; radio has also been tapped for this purpose, says Jim Stanley, director of marketing for consumer products. But tv is strictly "Anglo" he says, with plans designed to deliver women 18 to 49 in day, fringe, and prime.

Zee, the bathroom tissue, recently came out with a facial version. The medium: couponing.

Media expenditures have decreased over a two year period for its major brands, which include Tuff N' Ready towels and Zee Nice N' Soft bathroom tissues.

Zee took most of the attention in 1981 — just over a million went into spot, newspapers and — an unusual medium for this business — outdoor. Tuff, which saw a $300,00 attrition in media expenditures from 1980, spent only $709,600, all in spot tv.

*Verne Gay*



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February 1983 / Volume 18, No. 2

# Tv shares down, prices up! How come?

by Allen Banks

**Guest Editor Allen Banks, media director and executive vp-Dancer Fitzgerald Sample, is alarmed at soaring network tv prices at a time when audience share is dropping. Here is his very complete analysis of what is going on — and suggestions on what to do about it.**

Here we are mid-way in the 1982/83 television broadcast year and a difficult year it has been.

The three television networks' share of viewing continues to decline in all dayparts and yet the cost to buy commercial time is going up! Where else do you spend more to get less?

All of us have reluctantly become accustomed to spending more each year for the same thing that we purchased the previous year. But more for less?

What's going on in the media marketplace, particularly in the tv marketplace, and what can advertisers do about it? What's going to happen next year in an Olympics and national election year?

The easy answer to all of these questions is that, as long as the demand by advertisers exceeds the current finite supply of network commercial time, the prices will go up.

A better response is to take a closer look at what all of the factors are that are creating the pressure on the limited amount of tv time: How much erosion have we actually been suffering? What are the causes for the erosion? Where are the "lost" audiences going? Why doesn't the network pricing reflect the erosion?

Let's take these questions one at a time.

### How much erosion has actually occurred?

Given the fact that the average television household is watching more today than it did three years ago (47 hours/week vs 46 hours/week) and that total viewing among adults has remained virtually the same, it seems a little strange to be talking about audience erosion.

Those of you who haven't been on a deserted island for the past few years know that there are significant changes taking place in U.S. television viewing habits. The changes are brought about by technological advancements that have resulted in a major proliferation of video alternatives available to the television viewer. Included in this video "explosion" are cable, pay television "superstations," video discs, video cassettes, video games and home computers. The video alternatives have given viewers greater control over their home video environment, while having the obvious effect of fragmenting audiences.

The three networks have been hardest hit by this evolutionary process. Every network daypart has been affected, with the young adult demographics being affected the most.

Looking at individual dayparts and starting with primetime tv, the three networks enjoyed a steady 90% share of total viewing through the 1978-79 broadcast year. They lost one share point to 89% in 1979/80; four more in 1980-81 to 85%; six more in 1981/82 to 79%; and by the end of this broadcast year, the networks will average approximately 77% of total viewing.

That's a drop of 13 share points in only four years — and it isn't over! We anticipate that the erosion of audience share will continue, albeit at a slow rate. A drop to 73% by 1984/85 seems likely.

After two years of denials, the networks now appear to be addressing the problems of diminished audiences and countering with quality programing and schedule stability.

In daytime, the three networks' 77% share of households in 1978/79 dropped to 75% by 1979/80; 73% in 1980/81; reached 69% by 1981/82; and we believe will reach 64% by 1984/85.

As could be expected, the pattern for individuals is similar to that of households and, in some cases, is even worse. Look at what has and will happen to women 18-49 network shares, for example:

| | Prime | Day | Late night |
|---|---|---|---|
| 1979/80 | 88% | 82% | 70% |
| 1981/82 | 77% | 78% | 54% |
| 1984/85 | 65% | 72% | 48% |

## Allen Banks' alternatives to high cost net television

**1. Reexamine less expensive network television dayparts.** This is an obvious alternative to primetime advertisers who are being hurt by escalating prices. While there are many reasons why the primetime daypart is used by advertisers, the changing viewer patterns and lower costs may well make other dayparts like late night, early morning, all night news, etc. more attractive.

**2. If Cable households are important to your products, buy usual networks selectively:**

Since network television receives the largest budgets and audiences, fine-tuning the network buy is a logical first step. A recent DFS analysis revealed that some networks, program types and programs performed better than others in pay cable homes. For example:

- Later primetime (9-11 p.m.) appears somewhat more immune to erosion than 7-9 p.m., probably due to factors of non-adult set control.
- Situation comedies and suspense/mystery dramas experienced less erosion than other program types.
- Feature films were most impacted, having probably aired on pay cable. Recent history (e.g. *Superman, 10, Kramer vs. Kramer*) has shown that movies, normally expected to be television blockbusters, have had their ratings sharply depressed.

**3. Syndicated television programing provides a number of advantages to advertisers.** Where carefully selected, a fine-tuned use of syndication, matching marketing profile with the right program mix, can provide:

- Efficiency guarantees on households and demographics that are 10-20% more efficient than networks.
- Deliver station lineups and clearances comparable to network.
- Deliver a high concentration of a brand's target audience.
- Offer opportunities to flight commercial weight as needed.
- Selectively can provide excellent production values and appopriate program environment.
- Offer program identification and billboards.
- Provide product protection.
- Offer merchandising potential.

**4. Utilize local market television and, in particular, independent television stations.** The opportunity to place additional advertising pressure in key sales markets and to select programing that has been effective against both network and cable fare must be considered.

**5. Buy cable!** Cable penetration is now at 35% of all U.S. households and is likely to be between

## What are the causes of declining audiences?

Among the causes of audience declines are growth of cable tv, strikes, unoriginal programing, more repeats, counter-programing by independents. Taking them one at a time, here's the picture that evolves:

CABLE TELEVISION. It's been growing at an amazing pace, but two-thirds of all tv homes are still unwired. And of those with cable, most can view no more than twelve channels. So while cable tv has definitely contributed to the networks' share erosion, it is not the major culprit.

INDEPENDENT STATIONS. Over the past few years, they have become much more sophisticated in their programing practices in all dayparts, and more aggressive in buying mass appeal, off-network programs.

For example, while all three networks were featuring evening news, local independents started to program reruns of popular network shows like *MASH*. Instead of competing with the networks' half hour, all-family situation comedies from 8 to 9 pm, many independents began to offer feature films.

They started their own late news at 10 pm instead of waiting until 11 pm when all the network affilates had local news programs.

More and more, however, there are indications that the networks themselves must bear much of the responsibility for audience losses.

STRIKES. The 1980-81 network season began during a strike by the Screen Actors' Guild and AFTRA. In the 1981-82 season, it was the turn of screenwriters to strike. As a result, traditional fall viewing patterns were disrupted and, perhaps even more important, new shows were written and produced on frenzied schedules for two years in a row.

This year, the strike by football players had an effect on network viewing on weekends and on Monday evening — particularly by young men.

NETWORK PROGRAMING. Sum it up for the past few seasons in three words: *Play it safe*.

Reacting in part to threats of a boycott by conservative groups, the networks seemed to have avoided controversy. CBS and ABC were close in the ratings, and neither wanted to risk too much innovation. At NBC, nothing they tried seemed to work.

SCHEDULE SHIFTING. In addition, the networks seemed quicker than ever to cancel and replace struggling shows after just a few episodes and to shift days and times of broadcast at any point during the season.

FINANCIAL CONSIDERATIONS resulted in cutting back on the number of new episodes produced, creating an increased period of network vulnerability during repeats, which now start as early as March. Further, theatrical feature films, once sure-fire ratings winners, had some of their value diminished by being available first and uncut via pay tv.

Is it any wonder that viewers began to turn to the growing number of alternatives?

Continued on page 104

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40% and 50% by 1985. Older cable systems will be upgraded to offer more channels of viewing (as many as 120), which will only further fragment viewing audiences.

By definition, cable advertising guarantees that the message *can* be received in cable homes. But even though cable offers increased channel capacity, the average viewer with 25 channels or more to choose from only watches about eight during an average week.

Therefore, targeting a buy on a cable network based on audience appeal and geography is crucial, as are the "next steps":

- Buy cable to recapture viewers — that is to compensate for network television underdelivery in cable homes.
- Buy cable creatively — matching brand target objective with programing appeal and format.
- Develop and place programing. Produce programing for specific clients and place on appropriate networks.
- Test new creative approaches — such as special copy and long-form "informercials."
- Conduct research — on cable environment, viewership and subscribers' attitudes.

**6. Seek out opportunities to become involved in program development.** Fresh new programing is especially needed now for both broadcast tv and cable. While there are certainly risks, the rewards for a successful program idea are great. The program environment is controlled by the advertiser as are the production costs. A program that makes it, pays high dividends.

**7. Rely less on the thirty second commercial length.** While clutter is certainly something to be concerned about, those advertisers with multiple products must start to experiment with shorter length commercials. What was once said in sixty seconds is now said, for the most part, in thirty. Isn't it now time to be looking at intergrating three twenty second messages into a sixty second unit, with the expectation that as time passes the twenty becomes the new dominant commercial length?

**8. Use other media.** Another obvious suggestion, but one that doesn't get enough serious consideration is the other major media of radio, print and out-of-home. They can be very effective.

That's eight ideas of what can be done to reduce the effects of network erosion -— and only one of them still suggesting the use of primetime network.

The *ninth,* and perhaps most important one, requires courage from both advertisers and their agencies: *Don't buy network primetime television* (or for that matter any medium) *next year because that's what you did last!* Costs are going up in television, and in particular primetime, not because of an increased price/value relationship.

**HOW COME?**
(from 59)

### Where have the lost viewers gone?

To answer the question of where the viewers have gone, we have to divide all tv households into three segments:

1. Households without cable — 63% of U.S. tv households.

2. Households with basic cable — 16% of the U.S. These households pay an installation charge and then a monthly charge of about $10.

3. Households with pay cable — 21% of the U.S. These homes pay the monthly fee for basic cable plus a second monthly fee of another $10 for additional cable channels like Home Box Office, Showtime, and one or more other program services.

In primetime, during the 1981-82 season, U.S. tv homes without cable gave 85% of their primetime viewing to networks and 17% to "Other On-Air" — mainly independents and public broadcast (non commercial) stations.

In homes with basic cable, the networks' primetime share was only 76%. They watched independents and PBS for 21% of the time, and cable tv channels 5% of the time.

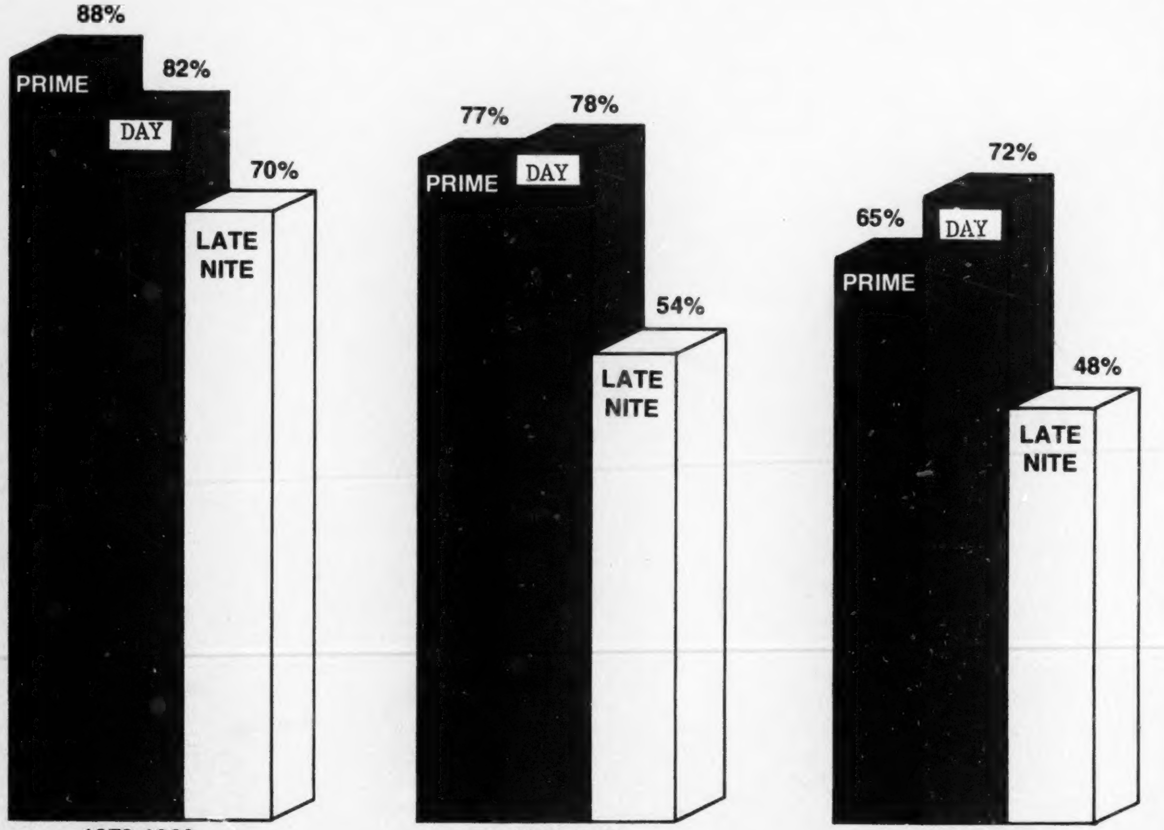
One reason these cable homes watch more independents is because they now have access to the so called "superstations" (WTBS Atlanta, WOR New York, WGN Chicago), as well as to local stations from nearby major markets that are being imported into their home towns.

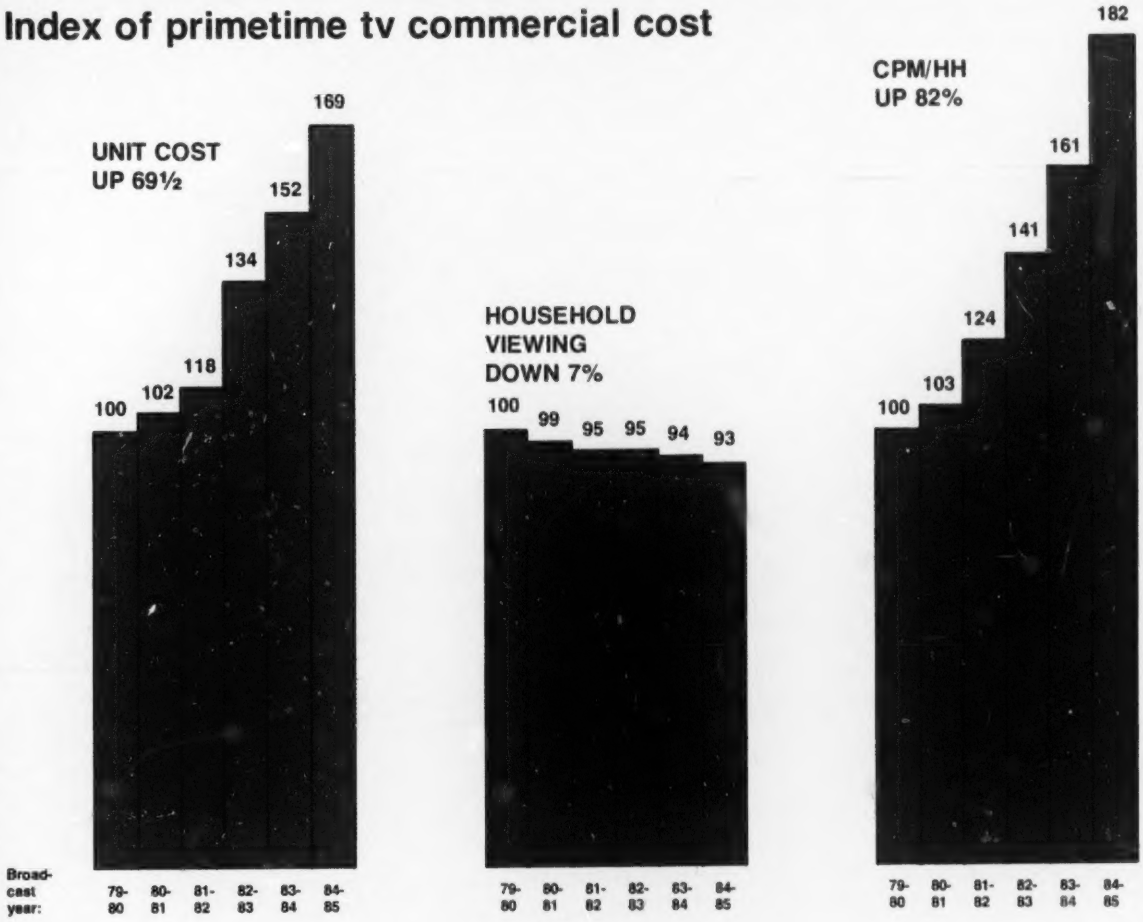
The most dramatic pattern is seen in households with pay tv. Although they watch more tv over-all — 18% more than non-cable homes, they do much less viewing to the three networks — just 59%. The key fact here is that these households devoted 20% of their 1981-82 primetime viewing to the pay cable channels — as much as to one of the three tv nets. But then, they are paying extra for that "fourth network" availability.

In daytime tv, non-cable homes gave 82% of their viewing to the networks, and 19% to "other" — mainly to independent stations.

The basic cable households gave 71% of their viewing to the three networks, 24% to independent stations (again in-

D-F-S view of erosion of 3-net primetime audience, women 18-49





Index of primetime tv commercial cost

Source: D-F-S based on A. C. Nielsen.

cluding the superstations available via cable), and 6% to cable tv channels.

Again, the big difference is in homes with pay cable.

The networks' share was down to only 58%, the independent and superstations got a 25% share of viewing, and the pay cable channels cornered 12% of the viewing. This 12% reflects the relatively recent expansion of Home Box Office to 24-hours-per-day, seven-days-per-week service. Many women in pay cable homes have been weaned away from watching just the network soap operas and game shows to recent and classic movies.

To summarize the obvious, network erosion is most severe in pay cable homes.

What does this network tv erosion do to a schedule of 100 rating points? In the Nov. 81-July 82 period, 100 primetime rating points nationally produced 107 grps in non-cable homes, 94 points in basic cable homes, but only 87 grps in pay cable homes.

In daytime, 100 national rating points produced 103 grps in non cable homes, 92 in basic cable and 95 in pay cable homes.

### Why should we care about cable homes?

Pay cable households are more upscale than non-cable households. Pay cable households have superior demographic characteristics. They have better incomes, larger families, younger and better educated heads of household, as shown in this table:

| | Non-cable | Basic cable | Pay cable |
|---|---|---|---|
| Household income 25M + | 30% | 31% | 44% |
| Household size 3+ | 45 | 47 | 59 |
| Head of household 18-34 | 30 | 29 | 41 |
| Head of household 18-49 | 55 | 53 | 74 |
| Head of household attended/ graduated college | 33 | 35 | 37 |

Source: SMRB 1981.

### What effect on network prices?

And what has been the effect of network tv erosion on network pricing? You all know the answer: The networks have been increasing their prices despite their declining audience, declining both in absolute viewers and on a share-of-viewer basis.

First primetime: The cost per unit as reported by the A.C. Nielsen Co. through 1981/82 and estimated by DFS for

1982/83 and beyond shows a hefty 69% increase in five years.

| Broadcast year | Cost | Index |
|---|---|---|
| 1979-80 | $ 62,600 | 100 |
| 80-81 | 63,800 | 102 |
| 81-82 | 73,900 | 118 |
| 82-83 | 83,840 | 134 |
| 83-84 | 94,940 | 152 |
| 84-85 | 105,880 | 169 |

And the trend in the primetime household audiences viewing the average commercial (which takes into account the growth in the number of tv households) - is anything but up!

| Broadcast year | Households | Index |
|---|---|---|
| 1979-80 | 13,180,000 | 100 |
| 80-81 | 13,050,000 | 99 |
| 81-82 | 12,550,000 | 95 |
| 82-83 | 12,500,000 | 95 |
| 83-84 | 12,410,000 | 94 |
| 84-85 | 12,250,000 | 93 |

With costs *up* 69% in five years, and absolute numbers of viewing households down 7%, the effect on costs per thousand is devastating:

| Broadcast year | CPM HH | Index |
|---|---|---|
| 1979-80 | $4.75 | 100 |
| 80-81 | 4.89 | 103 |
| 81-82 | 5.89 | 124 |
| 82-83 | 6.71 | 141 |
| 83-84 | 7.65 | 161 |
| 84-85 | 8.64 | 182 |

And it's even worse if we look at the cpms for specific demographics. For example, since adults 18-49 viewing network in primetime is dropping faster than household viewing, the cost to reach this group of people will more than double:

| Broadcast year | Adults 18-49 Audience Index | Adults 18-49 Cpm Index |
|---|---|---|
| 1979-80 | 100 | 100 |
| 80-81 | 96 | 106 |
| 81-82 | 91 | 130 |
| 82-83 | 88 | 153 |
| 83-84 | 85 | 179 |
| 84-85 | 82 | 208 |

The situation in daytime is almost as disturbing:

| Broadcast year | Cost per unit | | Women 18-49 Audience Index |
|---|---|---|---|
| 1979-80 | $10,000 | 100 | 100 |
| 80-81 | 10,300 | 103 | 96 |
| 81-82 | 11,200 | 112 | 92 |
| 82-83 | 12,350 | 124 | 87 |
| 83-84 | 14,230 | 142 | 86 |
| 84-85 | 15,910 | 159 | 84 |

Unit costs in *daytime* will not go up quite as fast, but the adult 18 to 49 audience will also erode. The effect on daytime efficiency is estimated as follows:

| Broadcast year | Index-Women 18-49 | |
|---|---|---|
| | Audience | Cpm |
| 1979-80 | 100 | 100 |
| 80-81 | 96 | 106 |
| 81-82 | 92 | 117 |
| 82-83 | 87 | 136 |
| 83-84 | 86 | 159 |
| 84-85 | 84 | 181 |

### "How can the networks do this to advertisers?"

This is a question that I have had put to me any number of times over the past few years. The overall inflation; inflation in other media; the networks' costs; supply & demand — are all factors.

INFLATION. It's a fact of life in every facet of the American economy — raw materials, land, taxes, wages. The price of just about everything has risen and keeps on rising. Let's look at the consumer price index, a commonly used benchmark for measuring inflation.

| Year | Consumer price index | Index |
|---|---|---|
| 1979 | 217 | 100 |
| 1980 | 247 | 114 |
| 1981 | 272 | 125 |
| 1982 (July) | 292 | 134 |
| 1983* | 314 | 144 |
| 1984* | 338 | 155 |

---

* Estimated, assuming a 7.5% annual increase.

When compared to this 55% increase over 5 years of the consumer price index, the 69% increase in the absolute cost of a primetime network tv 30-second commercial is not quite as exorbitant as it first appears.

OTHER MEDIA COSTS. On a cost per thousand basis, others have also been rising, and often as fast or faster than the underlying inflation rate.

In magazines, the cpm circulation of a four-color page is expected to rise by 55% in the five years from 1979 to 1984:

| | Cpm circulation | |
|---|---|---|
| Year | Dollars | Index |
| 1979 | $ 8.70 | 100 |
| 1980 | 9.48 | 109 |
| 1981 | 10.48 | 120 |
| 1982 | 11.45 | 132 |
| 1983 | 12.37 | 142 |
| 1984 | 13.48 | 155 |

In those same five years, network radio's cpm against adult listeners to a 60-second commercial will increase an estimated 53%;

| | Cpm adult listeners | |
|---|---|---|
| Year | Dollars | Index |
| 1979 | $1.84 | 100 |
| 1980 | 2.01 | 109 |
| 1981 | 2.25 | 122 |
| 1982 | 2.42 | 132 |
| 1983 | 2.61 | 142 |
| 1984 | 2.82 | 153 |

TV NETS' COST FOR PROGRAMING. This has risen much faster and steeper.

According to our estimates, their costs remained relatively stable in the five years between 1970 and 1975, but skyrocketed in the next five years, and are continuing to do so:

| Half hour series | 1970 | 1975 | 1980 |
|---|---|---|---|
| Average cost | $ 95,000 | $120,000 | $300,000 |
| % Change (by 5 years) | | +26% | +150% |
| **Hour series** | | | |
| Average cost | $200,000 | $250,000 | $625,000 |
| % Change (by 5 years) | | +25 | +150 |

Why this sudden and sharp increase?

The networks deal with strong craft unions who have become significantly more hard-nosed in their demands for wages, fringe benefits and residuals. The acting talent is signed for short-term contracts. If a show becomes a hit, these stars feel that they are the primary reason for the show's success and command extremely high salaries. All these are contributing factors to the increases in network costs. But the major factor is simply *supply and demand.*

The supply has been almost totally inelastic. The networks have done very little to increase the number of commercials available for sale. Two years ago, the networks added two 30-second commercials to each made-for-tv movie and other two-hour programs by eliminating sponsor billboards. This season, ABC added 7 prime 30's per week and will add seven more per week by next September. CBS is standing pat. NBC and CBS have also added one 30 per evening news program.

This has been a minimal increase in the absolute supply of network commercials. However, this has been offset in the past two seasons by the networks' necessity to hold off the market a significant part of their inventory so as to compensate advertisers whose cpm guarantees were not met due to lower-than-expected ratings. This depressed the supply particularly in the second and third quarters in 1981 and 1982.

THE DEMAND. Competition for network television time in all dayparts is stronger than ever before. Why? Here are the major reasons:

1. Network television is the major medium used by America's largest advertisers, has been for decades, and continues to account for an ever larger share of their total measured advertising expenditures.

| | Total media | | Network tv | | Net tv as % |
|---|---|---|---|---|---|
| | **$ (Billion)** | **Index** | **$ (Billion)** | **Index** | **of total media** |
| 1978 | 7.00 | 100 | 3.10 | 100 | 44 |
| 1979 | 7.97 | 114 | 3.55 | 115 | 45 |
| 1980 | 8.44 | 121 | 3.90 | 126 | 46 |
| 1981 | 9.45 | 135 | 4.29 | 138 | 45 |

2. The traditional network tv advertisers have steadily increased their spending in the medium. Here are some examples:

| | Network spending (in millions) | | | |
|---|---|---|---|---|
| **Advertiser** | **1978** | **1979** | **1980** | **1981** |
| Procter & Gamble | $262 | $290 | $361 | $393 |
| General Foods | 169 | 203 | 201 | 238 |
| General Motors | 108 | 118 | 123 | 147 |
| AT&T | 41 | 55 | 57 | 70 |

Source: B.A.R.

Of course, part of these increases represent higher network pricing, and the need to purchase more commercials just to maintain the same numbers of rating points and advertising impressions. With each commercial spot accounting for fewer rating points, just staying even with last year's plan creates pressure on the limited amount of commercial time.

New product introductions also have created additional demand. The key point, however, is that the networks best customers seem to be increasing their investment in the medium.

3. The networks have also been the beneficiaries of vastly increased spending from categories which barely used the medium in the past. Here are 3 examples:

| | Network spending | |
|---|---|---|
| | **1976-77** | **1981-82** |
| Cameras | $26,500,000 | $ 95,000,000 |
| Motion pictures | 12,400,000 | 170,000,000 |
| Fast foods | 52,400,000 | 300,000,000 |

And then there are the brand new categories of network tv advertisers which didn't even exist three years ago, like:

| | |
|---|---|
| Electronic games | $105,000,000 in 1981-82 |
| Home computers | 75,000,000 in 1981-82 |

This mammouth influx of new and increased spending is affecting the way the tv networks sell their merchandise.

With supply fairly steady and demand rising, networks have been selling more of their availabilities on an up-front basis; that is, selling an advertiser most or all of his commercial requirements for the entire broadcast year (September through the following August) 4 to 16 months in advance — in the preceding Spring or Summer.

It was estimated that the networks made sales of $1.6 billion up-front in primetime in 1981-82, and more than $2.1 billion in this manner for the 1982-83 season — a better than 30% increase. Up-front buying also has become a fact of life in other dayparts, which in prior seasons were sold mainly on a quarterly basis.

The rush by advertisers to assure themselves of their network tv requirements has had two startling side effects:

- Prices for quarter-by-quarter purchasers in all dayparts, but particularly in primetime, have risen more so than in the past. The estimated cost per thousand being charged by the networks for the commercial time on a scatter, or as needed, basis are 15% to 20% higher than those which the up-front buyers paid.
- The networks have sold a remarkably high proportion of inventory in all dayparts, but especially in primetime.

What this all boils down to is that we have two problems, each feeding on the other: network television prices are going up and networks' share of audiences are going down. While it is clear, from the demand that exists for the finite amount of inventory and the increasing cost to produce television programs, that network prices would probably go up anyway, the fact that audiences are being weaned away to alternative programing certainly doesn't help.

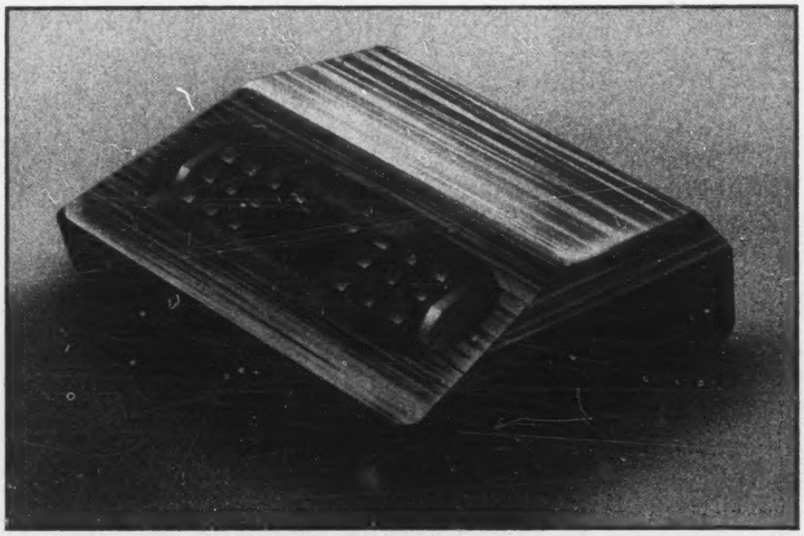
If we want the prices to stabilize, if not decrease, all of us responsible for creating demand must give serious consideration to using other ways to effectively communicate our products/services to the ultimate user. They exist; use them! If we do, we will bring back some reason to the pricing structure.

Consider what is going to happen next year if we don't. Two Olympics and the lead-up to a Presidential Election will reduce already limited network tv inventory, creating even bigger problems for advertisers who don't use the other tools available to them.

The alternative suggested on page 58 and 59 are a beginning. I am sure that you can add to the list. Please do! If you don't, the history of the past five years will only seem like child's play in comparison to what we will be experiencing in the future. ■

# Agencies see bright year for cable, *if* . . .

**The *if* is continued economic recovery, which may push billings at top 20 agencies in cable up 45% in 1983. Their ante in cable should be $190 million — close to half of that medium's projected billings this year. Also in this report: Cable Ad Scorecard, a clip-and-save guide to the top 20 agencies in cable, showing total billings, clients in cable, satellite networks used, key media decision makers.**



Art by Michael Horen

Like the premature reports on Mark Twain's death, indications of the demise of the cable television industry in 1983 appear to be greatly exaggerated.

Although the termination of the CBS cultural service sent tremors through the cable community, billings projected by the top 20 agencies in cable show an increase of 45% on average over 1982.

The top 20 agencies in cable expect to collectively bill about $190 million, close to half the $383 million projected for '83 by analyst Paul Kagan. But most media directors contacted by *Decisions* admit their projections hinge on an economic turn-around.

If a continued economic down-turn forces advertising budget reductions, allotments for cable would be the first to be trimmed because they are often the most difficult to justify. But agencies are taking an optimistic view and presuming economic circumstances that justify expanded cable expenditures.

Generally, the view of the top 20 agencies supports the optimism voiced by Bob Alter, president of the Cabletelevision Advertising Bureau: "1980 will be a good year for cable for a variety of reasons." Among them, he cites the decline in network television shares, which is causing concern among major advertisers about underdelivery in cable households, the increase in cable penetration and the growth in the cable audience.

Alter acknowledges that the economy could have a diminishing effect on cable usage in 1983. "We are concerned about the economy," he said, "because cable is seen as supplementary, and often gets blown away if the budget must be cut."

Another factor in cable use has been inflated expectations as to what cable can deliver in audience quantity and quality. A more realistic view of cable's value as an advertising medium is expected to prevail within the media community as 1983 unrolls.

The agency with the biggest percentage gain in cable billings in 1983 will be Kenyon & Eckhardt. An expected big buy by Chrysler, if it comes through, will bring that agency's billings up from $3.25 million last year to about $11 million. Senior vp-director of corporate media services Bill Tennebruso said the Chrysler deal is pending, but no firm commitment has yet been made.

The heaviest billing agency in cable continues to be Young & Rubicam. Last year the agency projected billings of $24 million, far above any other agency *Decisions* contacted, and actually came in with $22 million. For 1983, Ira Tumpowsky, vp-group supervisor for cable, projects an increase of 20%, which comes out to about $27 million.

Tumpowsky, who contends that "Y&R discovered this new medium five years ago," notes that in the past two years the agency has doubled its cable billings each year. In 1983, he

Continued on page 118

expects there will be "a plateauing." But, he adds, if the subscribing cable audience grows substantially, billings will expand by 20%.

The impediment to greater usage of cable, Tumpowsky believes, is attributable to "those clients of the agency who haven't used cable previously and have no intention of using it in an unfavorable economic climate. Those clients who have been using cable regularly, generally continue to use it with some degree of continuity."

New clients in cable last year for Y&R include Johnson & Johnson, Kodak, CBS Records, Clorox, Canada Dry and Atari.

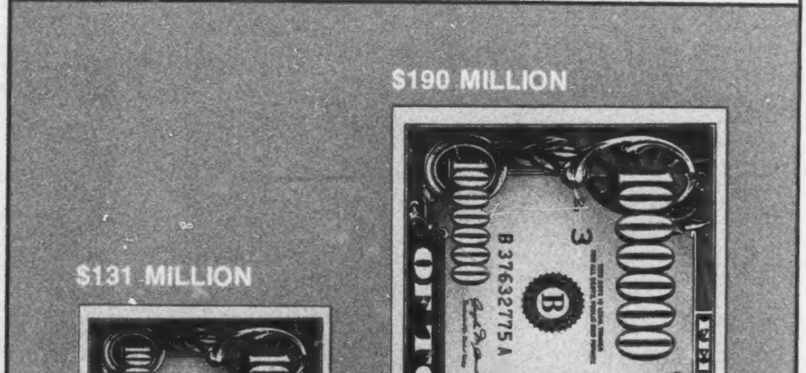
BBDO is projecting a substantial increase in billings this year. Arnie Semsky, executive vp - director of media and programing services, expects the agency's cable billings to increase by 50%, from $10 million to $14 million.

J. Walter Thompson expects a more modest increase in cable billings this year, in line with the 1982 increase, which was about 13%, to bring the total to about $8 million. Norm Varney, senior vp-new electronics media development at JWT, said he expects cable billings to grow in relation to the growth in the cable audience.

But rather than an increase in cable network buys, he looks for real growth that will come from local cable buys on a spot basis. He said that at JWT last year, between 5% and 10% of the budget in cable was invested in local spot buys. He thinks the percentage invested locally by the agency will double in 1983.

The greatest area of growth for cable advertising, he predicts, will be buys in local sports events.

## Cable billings of top 20 agencies in cable



Ogilvy & Mather's Ken Caffrey, senior vp-executive director, media operations, is expecting a 40% increase in last year's modest cable billings of $2.5 million, to a $3.5 million 1983.

The big move at O&M last year was General Foods' multi-year, multi-program contract with Hearst/ABC. But the agency also wrestled with the onerous format considerations presented by cable. Three new creative approaches were tested for the three divisions of American Express — the card, traveller's check and financial services.

Campbell-Ewald, Detroit, is expecting a 38% increase in cable billings this year, from $13 million to $18 million. But Dave Martin, senior vp-director of broadcast media was quick to add the caveat, "If the business picture doesn't improve, all that could go right down the tubes."

Wes Dubin, senior vp-broadcast at Needham Harper & Steers, contends that cable operators and programers must get their act together to gain a more effective presence if cable is to win more media dollars. "The high network prices this year have ironically left little money in buyers' hands for cable. Cable must make a concerted effort to work itself into the media plan now."

NHS projects a 15% increase in cable billings in 1983, from $4.6 million last year, up to $5.3 million this year and up again to over $6 million in 1983.

Marschalk's media director, Steve Segal, is expecting a boost in cable business this year with Heublein and Coca-Cola increasing their commitment to the medium.

But for advertisers who are devoted to the rigors of statistical research, Segal warns that cable still seems a dubious medium. "You get the smallest audience with cable and, because it has been little researched, if you are trying to defend every ad dollar you probably aren't going into cable," he says.

*Rebecca Fannin and Fred Gardner*

**See page 122 for the Cable Ad Scorecard, a clip-and-save guide to cable.**

MARKETING & MEDIA Decisions
342 Madison Ave. • New York 10017 • 212 9531888

# CABLE AD SCORECARD

## A clip-and-save guide to the top 20 agencies in cable

### FOOTE, CONE & BELDING

**Frank Gromer, senior vp - national dir. of media**

Of 22 clients in cable, the following 10 are in monitored cable networks.
Mazda
Levi
Clorox
Lanier
Pearle Vision
Speed Queen
Kraft
Swift
Sears
Zenith
Cable networks used include: MTV, CNN, WTBS, ESPN, Weather, USA, CBN, SNC

Estimated billings in cable:
1982: $5.5 million
1983: $10 million

### D'ARCY-MacMANUS

**Dick Simon, vp - assoc dir., corp. tv**

M&M/Mars (MTV, ESPN)
Anheuser-Busch (All)
Cadillac (ESPN, USA)
Pontiac (ESPN, USA)
Ace Hardware (ESPN, USA, CNN)
Bank of America (Local)
CPC (Local)
Standard Oil (Local)
3M (Unassigned)

Estimated billings in cable:
1982: $9 million
1983: $10 million

### CAMPBELL-EWALD

**Dave Martin, senior vp - director of bdcst media**

Goodyear
Chevrolet
Burroughs
AC Delco
GMAC
Nat. Car Rental
Systems used include: SNC, WTBS, CNN, Daytime, ARTS, Weather, CHN, CBN, CNNII, Mad. Sq. Garden, Sports Channel, and local systems.

Estimated billings in cable:
1982: $13 million
1983: $18 million

### NEEDHAM, HARPER & STEERS

**Wes Dubin, senior vp - broadcast**

Xerox (ESPN, USA, WTBS)
ITT (CBS)
Kraft (WTBS, USA, Daytime)
Honda (ESPN, WTBS)
General Mills, (WTBS, CNN, CBN, BET, USA, Daytime)
G.D. Searle (CNN)
Dorsey Laboratories (CHN)
Wrigley's (WTBS)
Shasta (MTV)
S.C. Johnson (MTV)

Estimated billings in cable:
1982 - $4.6 million
1983 - $5.3 million

### DANCER FITZGERALD SAMPLE

**Allen Banks, sr. vp - media dir.**

Duracell (CNN, USA, Weather)
Ethan Allen (Pending)
Florida Citrus (WTBS)
Hanes (CNN, USA)
Kenner (Daytime)
L'Eggs (USA, CNN, WTBS, Daytime)
Lifesavers (Pending)
Parker Brothers (WTBS, MTV)
Procter & Gambie (CHN)
Toyota (CNN, USA, WTBS)
Wrangler (WTBS, MTV, USA)

Estimated billings in cable:
1982: $7 million
1983: $10 million

### COMPTON ADVERTISING

**Steve Fajen, senior vp - media dir.**

Procter & Gamble (WTBS, CNN, CBN)
Johnson & Johnson (WTBS, CNN, ESPN)
American Motors (CNN, WTBS, ESPN, Weather)
Thompson Medical (WTBS)
National Enquirer (WTBS)

Estimated billings in cable:
1982: $6 million
1983: $8 million

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## J. WALTER THOMPSON

**Norm Varney, senior vp - new electron. media devel.**

Dunlop (ESPN)
Orkin (WTBS)
Six Flags over Georgia (WTBS)
Activision (ESPN, USA, Weather, MTV)
Jovan (MTV)
Kemper (WTBS, USA, ESPN)
Kraft (CBS, WTBS, CBN)
Quaker (CNN, WTBS, Daytime, USA, ESPN)
Ford (ESPN, CNN, WTBS, USA, CBS, MTV, ARTS, BET, SNC)
Anco (WTBS, ESPN)
Champion (WTBS, ESPN)
Kodak (WTBS, ESPN, USA, CNN, CHN, Weather, CBN, BET, ARTS, CBS)
Reynolds (USA, MTV, USA, ESPN, CNN)
W.F. Young (USA)
American Gas Assn. (CNN, Weather, USA, ESPN)
Goodyear (ESPN, WTBS, Weather)
US. Marines (MTV, WTBS)
National Education Assn. (CNN)

Estimated billings in cable:
1982: $8 million
1983: $10 million

## TED BATES

**Walter Reichel, senior vp - executive director, media and programing**

General Foods
Colgate
M&M/Mars
Warner-Lambert
ITT/Continental
Mobil
Coors
Panasonic
Prudential
U.S. Navy
Carter-Wallace
Cal Can
American Cyanamid
Home Box Office
TV Cable Week
Cable networks used for Bates clients include: CBS, BET, CNN, CBN, ESPN, MTV, USA, WTBS, WOR, WGN.

Estimated billings in cable:
1982 $3.2 million
1983 $4.5 million

## BACKER & SPIELVOGEL

**Steve Leff, executive vp - director of media services**

Miller Beer
Campbell Soup
Sony
Savings & Loan Foundation
Cable networks used but not specified by clients include: USA, ESPN, CNN, CHN, MTV.

Estimated billings in cable:
1982: $5 million
1983: $6 million

## N W AYER

**Marcelia Rosen, senior vp - media dir.**

Seven-Up (MTV)
General Motors (ARTS, CNN, C-SPAN)
U.S. Army (WTBS, ESPN)
Dupont (ESPN)
AT&T Corporate (ARTS, C-SPAN)
AT&T Long Lines (WTBS, ARTS, CNN)

Estimated billings in cable:
1982: $1.8 Million
1983: $3.5 million

## DOYLE DANE BERNBACH

**Watson James, vp - video technology/ programing**

Atari (ESPN, MTV, WTBS, CNN, USA, ARTS)
Bulova (CNN)
Celestial Seasonings (CHN)
Chanel (Telefrance)
Citicorp (CNN, WTBS, CBN)
GTE (ESPN, CNN, WTBS)
IBM (ESPN, BET)
Mobil (USA, ESPN, BET, WTBS)
Ore-Ida (WTBS, CNN, Daytime)
Polaroid (ARTS)
Porsche-Audi (USA, ESPN)
Stroh (WTBS)
Sylvania (ESPN)
Universal Pictures (MTV, USA, ESPN, CNN, Daytime, ARTS)
Volkswagen (USA, ESPN)
Weight Watchers (CNN, Daytime)

Estimated billings in cable:
1982: $7 million
1983 $13 million

## YOUNG & RUBICAM

**Ira Tumpowsky, vp - group spvr. for cable**

General Foods (WTBS, CNN, USA)
Ford Motor Co. (USA, CBS)
Lincoln-Mercury Division (CNN, ESPN)
Merrill Lynch (CNN, USA)
Holiday Inn (CNN, USA)
Johnson & Johnson (WTBS, CNN)
Gulf Oil (WTBS)
American Home Foods (USA)
Kodak (CNN, WTBS, BET)
CBS Records (MTV, USA)
Clorox (WTBS)
Time Inc. (CNN)
Canada Dry (WTBS)
Atari (USA, ESPN)

Estimated billings in cable:
1982 - $22 million - $24 million
1983 - $28 million

## OGILVY & MATHER

**Ken Caffrey, senior vp - executive dir., media oper.**

American Express (ESPN, USA, CNN)
Avon (USA)
Campbell Soup (ESPN)
Columbia Pictures (MTV)
Hershey (WTBS)
Kimberly-Clark (ESPN)
Owens-Corning (ESPN)
General Foods (Hearst/ABC)
Shell (CNN)
Smith Barney (ESPN)
TWA (ABC/Hearst, ESPN)

Estimated billings in cable:
1982 - $2.5 million
1983 - $3.5 million

## BENTON & BOWLES

**Phil Guarascio, senior vp - director of media mgt.**

Procter & Gamble (CNN, WTBS)
General Foods (WTBS, CNN)
Richardson-Vicks (USA, MTV)
Pinkerton (WTBS)
Morton-Thiokel (CNN)
Texaco (CNN, WTBS)
Cella (USA, MTV)
Schlitz Malt Liquor (WTBS)
Hardee's (Local, WTBS)
Texas Commerce Bank (Local)
Showtime (Various)

Estimated billings in cable:
1982: $7 million
1982: $10 million

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## McCANN-ERICKSON

**Hadassah Gerber, senior vp - media info., new technology**

Coca-Cola (WTBS)
Lufthansa (CNN)
Nestle (CBN)
NY Racing Assn. (Interconnects)
Budget (ESPN, WTBS, CNN)
Buick (SNC)
Del Monte (ABC/Hearst, USA)
GMC Truck (ESPN)
Hilton (ESPN)
Georgia-Pacific (CNN, ESPN)
Texas Instruments (WTBS)
Wells Fargo (Interconnects)

Estimated billings in cable:
1982: $3.2 million
1983: $4 million

## KENYON & ECKHARDT

**William Tennebruso, senior vp - director of corp. media services**

Chrysler Corp. (ESPN, CNN, CHN)
Wine Spectrum (ARTS)
Turtle Wax (WTBS)

Estimated billings in cable:
1982: $3.25 million
1983: $11 million

## CUNNINGHAM & WALSH

**Frank McDonald, executive vp - dir. of media and mktg. services**

AT&T Dial-it-sports (ESPN, USA, WTBS)
C.B. Fleet (WTBS)
Mitsubishi Motors (ESPN, MSG)
Folgers Coffee (CBN, CNN, WTBS)
Ricoh of America (CNN, WTBS)
Blue Nun (ESPN, USA, CNN, WTBS)
St. Regis Paper (USA)
Sterling Drug (CBN, MTV)
Quantas (Undetermined)
Pendleton Mills (CNN, ESPN)

Estimated billings in cable:
1982: $1.6 million
1982: $2.5 million

## BBDO

**Arnie Semsky, executive vp - director of media and programing services**

American Cyanamid (MTV, ESPN, WTBS, CNN, Weather)
Black & Decker (WTBS, CNN, USA, ESPN)
Campbell Soup (WTBS, Weather, ESPN, USA, CNN, BET, Weather)
Del Monte (MTV, USA)
Firestone (ESPN, WTBS)
Gillette (ESPN, WTBS, CNN)
GE (BET, USA)
Hormel (WTBS)
Old Milwaukee (USA, WTBS)
Pepsi Cola (USA, MTV, ESPN, WTBS, BET, SIN)
Pillsbury (USA, WTBS, CBN)
Wrigley (WTBS, CNN, BET, USA, MTV)

Estimated billings in cable:
1982: $10 million
1983: $15 million

## KEY TO ABBREVIATIONS

**ARTS:** Hearst/ABC Video Enterprise Alpha Repertory Television Service, cultural programing.
**BET:** Black Entertainment Television, black oriented sports and features, with movies.
**CBS:** CBS Cable, cultural and informational programing.
**CHN:** Cable Health Network, health-related talk, features.
**CNN:** Cable News Network, Ted Turner's all-news channel.
**CNN II:** CNN's Headline News Service.
**Daytime:** Hearst/ABC Video Enterprise, women's, talk, health, how-to's.
**ESPN:** Entertainment and Sports Programming Network, all sports.
**MSG:** Madison Square Garden, Sports.
**MSN:** Modern Satellite Network, educational consumer programing, including the Home Shopping Show.
**MTV:** Music TV, from Warner Amex Satellite Entertainment Corp., all music.
**SIN:** National Spanish Television Network, all Spanish programing.
**SPN:** Satellite Programing Network, talks shows, movies, how-to's.
**Telefrance:** French-language documentaries, movies.
**USA:** USA Cable Network, sports, women's, talk-shows, children's.
**Weather:** The Weather Channel, national weather reports.
**WOR:** RKO's WOR-TV, New York, superstation.
**WTBS:** Ted Turner's WTBS-TV, Atlanta, superstation.

## GREY ADVERTISING

**Alec Gerster, executive vp - dir. of media, programing**

American Council of Life Insurance (CNN)
Block Drugs (WTBS, CNN)
Borden (WTBS, ESPN)
Canon (WTBS, CNN)
Carter-Wallace (WTBS, ESPN, MTV,USA)
Dept. of Defense (WTBS)
Esmark (WTBS, CNN, ESPN)
Kenner (WTBS, USA, SIN)
Mennen (ESPN)
Panasonic (MTV)
Procter & Gamble (WTBS, CNN, SIN)
Sentry Ins. (CNN)
Shearson (CNN)
STP (ESPN, WTBS)
Timex (ESPN)
Warner (movies) (ESPN, USA, MTV, CBS)

Estimated billings in cable:
1982: $4.5 million
1983: $5.3 million

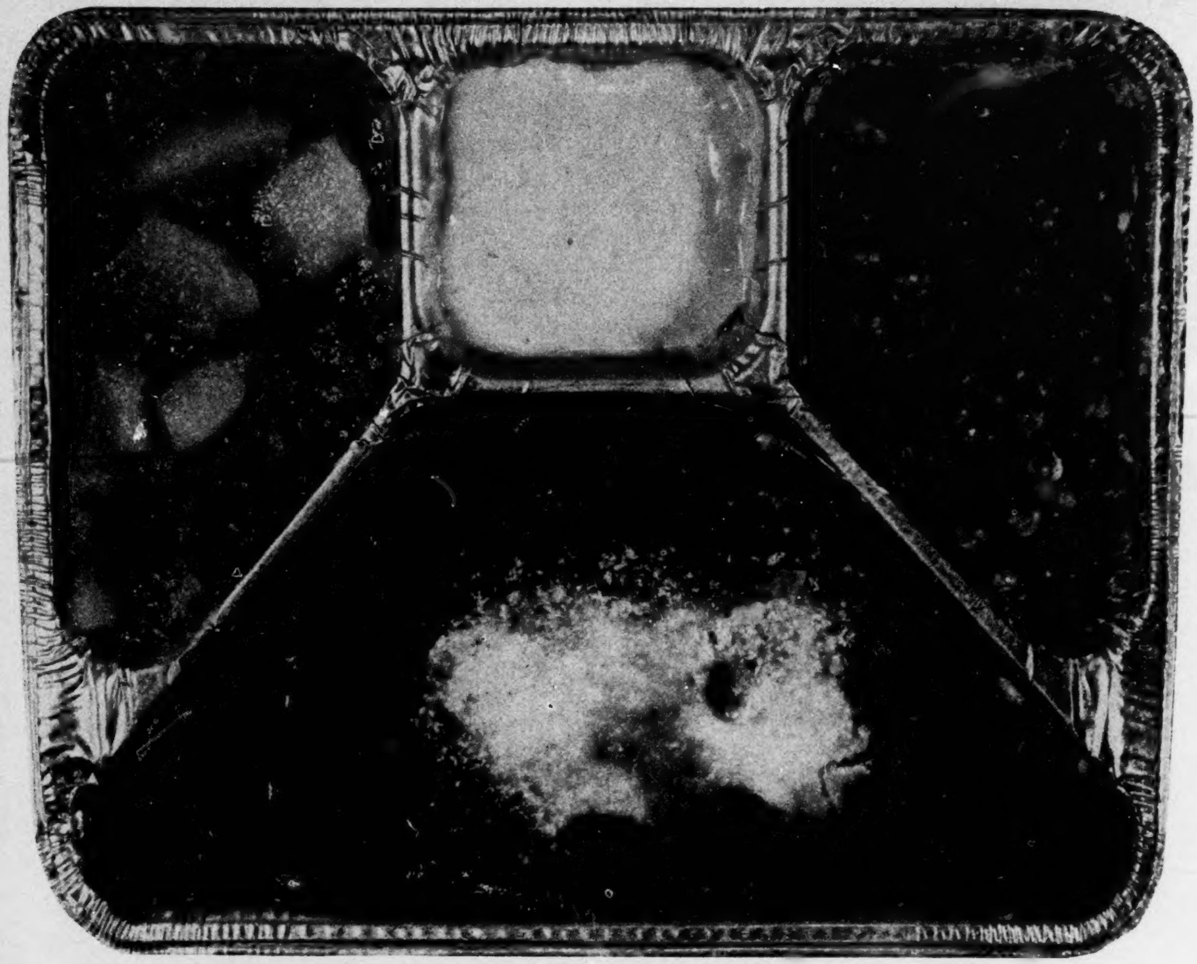
## LEO BURNETT

**Ken Lane, senior vp - director of media services**

Allstate (WTBS, ESPN)
Comm. Edison (Local)
Heinz (WTBS)
Kellogg (WTBS, ESPN, USA, MTV, CBS, SIN, BET)
McDonald's (ESPN, USA, SIN)
Nestle (WTBS, CBN)
Oldsmobile (ESPN, CNN)
Pillsbury (WTBS, BET, Weather)
Procter & Gamble (CNN, WTBS, MTV)
RCA (WTBS, Weather)
Starkist (WTBS)
Union Carbide (CNN, WTBS, Weather)
Union Oil (Local)
United Airlines (ESPN, Weather, Local)

Estimated billings in cable:
1982: $5.9 million
1983: $14 million

BEST AVAILABLE COPY



## BRAND REPORT 84:

# Image of tv dinners flip-flops to up-scale

**Trackable ad dollars behind frozen dinners, entrees and pizzas ran over $41 million in 1981 and will prove-out well above that volume when all the figures are in for 1982. Growth factors include: single servings for growing number of single householders, low-calorie specials, frozen pizzas for the folks who like fast-foods at home.**

Tv dinners, once considered declasse, have become chic. They've acquired an upscale image.

The past six years have been in a static sales period for the tv dinner market. But things are beginning to cook. December SAMI figures are up 16.6% for single dish entrees and the dinner division shows a 13.2% gain.

This turn of events is a surprise to no less than Gerry Herrick, president of Foodways National, manufacturers of Weight Watchers. "It's amazing to me," he says, "that the tv dinner image has flipped around and is now doing so well."

Industry observers point to Lean Cuisine, Weight Watchers, Dinner Classics and Le Menu as products contributing to the new perception and increased sales.

Some frozen pizza manufacturers,

facing disappointing profit margins because of intense competition and widespread discounting, are expanding to broadbased entrees.

Trackable advertising expenditures for 1981 total $41,088,086. Many of the brands measured are regional and have small advertising budgets. Brands with a wider range of distribution and larger advertising budgets have been broken down by media in the chart below.

For the first six months of 1982, media expenditures totalled $24,036,100. Newspaper and spot radio figures are not available for 1982 as yet but indications are that budgets were up about 15% over 1981. More than half of the total media budget for 1981 was directed into spot television.

This is not surprising since there are a good number of regional brands. Also Lean Cuisine, Le Menu and Dinner Classics did not have national distribution in 1981. By the end of 1981, Lean Cuisine was available in most of the country but Dinner Classics and Le Menu don't expect to be nationally distributed until sometime during 1983.

There are a number of factors responsible for the skyrocketing success of the new "gourmet" segment of the $12 billion frozen food market. With population trends shifting, the once standard two-parent/two-child household is no longer the norm.

Household size is shrinking. Estimates by the Department of Commerce indicate that, by 1990, the average household will have 2.5 people. Within the smaller household, it is not at all unusual to find two people working. In 1980, 50% of women over the age of 18 were in the work force, according to the Department of Labor.

Those working women are not spending as much time preparing meals as they once were. They have other priorities for their time after work. Their purchases of convenience appliances such as food processors, crock pots and microwaves oven indicate that they want to trim food preparation time. By 1985, according to sales estimates, microwave ovens should show 35% penetration in homes around the country.

Microwave directions are on the back of a number of frozen food dinners and entrees; an indication that manufacturers regard microwave owners as an important part of their market. The seven minutes from freezer to table is mighty attractive when you're in a hurry.

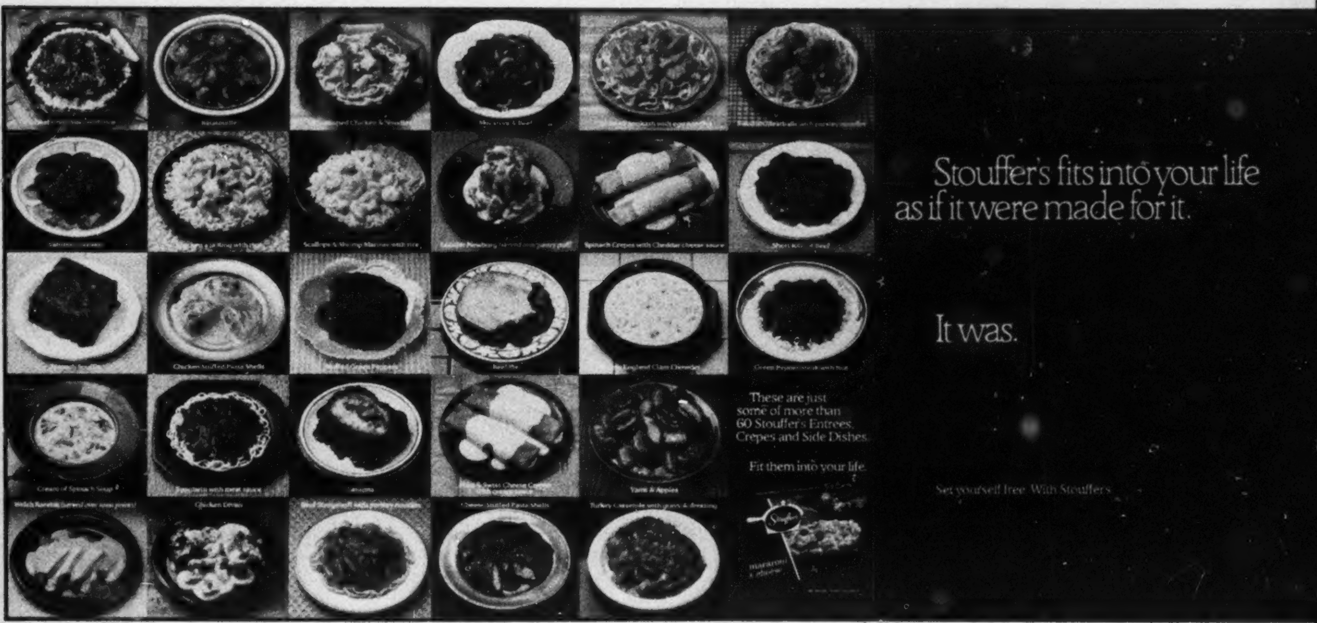
Demographics on frozen entrees and dinners aren't limited to just younger, single or smaller households. "There is a bi-modal demographic here," explains Dick Shea, director of marketing at Swanson's — a division of Campbell Soup. The two tiers are those people 18 to 34 in a two-income household or single-person household; with the second half of the tier comprised of people over 45 having a high disposable income. The most vocal

## Media Expenditures for Major Frozen Dinners/ Entrees/Pizza 1981

| | Media Total | Consumer Magazines | Newspapers | Net Tv | Spot Tv | Spot Radio |
|---|---|---|---|---|---|---|
| Armour Dinner Classics | 414,900 | 142,900 | | | 272,000 | |
| Campbells: Swanson's, Le Menu and Pepperidge Farm Deli | 2,455,384 | | 326,320 | 843,300 | 1,073,100 | 212,664 |
| Celeste Frozen Pizza (Quaker) | 311,126 | | 193,758 | | 113,000 | 4,368 |
| Chef Saluto (General Mills) | 2,178,382 | | 94,782 | | 2,083,600 | |
| Green Giant: (Entrees, Boil'n Bag, Frozen dinners) | 1,988,343 | | 388,890 | | 1,463,300 | 136,153 |
| Jeno's | 2,230,453 | | 152,553 | 236,000 | 1,841,900 | |
| Stouffer's Pizza, Lean Cuisine, Red Labels | 4,799,363 | 1,143,000 | 387,014 | 1,481,200 | 2,794,900 | 21,949 |
| Weight Watchers | 3,423,775 | 1,810,200 | 150,075 | | 1,463,500 | |
| Tony's Frozen Pizza | 1,159,668 | | 57,368 | | 1,102,300 | |
| Totino's | 3,036,538 | | 307,829 | 498,900 | 2,003,000 | 226,809 |

Sources: LNA RER, Media Records

boosters of Swanson's Le Menu line — based on letters sent to the company — are elderly gentlemen, who write like they'd been starving to death before Le Menu's introduction. Also, Armour's Dinner Classics enjoy a huge following in Florida.


Stouffer's fits into your life as if it were made for it.
It was.
These are just some of more than 60 Stouffer's Entrees, Crepes and Side Dishes.
Fit them into your life.
Set yourself free. With Stouffer's.

### Stouffer's

Lean Cuisine is a product for the time.

The introductory budget for the runaway 300-calorie entree was only $1.5 million. But, less than a year after its launch, the product had eclipsed expectations; Stouffer's couldn't — and can't — keep up with orders.

Stouffer's wanted a larger demographic than just dieters for its Lean Cuisine line. So initial advertising included a scattered magazine schedule: *Better Homes and Gardens, Good Housekeeping, Reader's Digest* and *Redbook*. Television was bought in all dayparts to target against both working women and homemakers. Restrictions for television called for sidestepping programs found to be distasteful to Stouffer's. Bill Sprague, executive vp at Creamer; agency for Stouffer's, saw television schedules "migrating to news and upscale education programs."

Stouffer's promotional work for Lean Cuisine included a team of two women, an athlete and a nutritionist, who traveled to test markets to appear on local broadcast media.

Dubbed the "Lean Team," the women appeared on tv and radio talk shows and met with newspaper and local magazine editors to discuss the new product. This was a first for Stouffer's. Milt Miles, manager of new ventures for Stouffer's says: "It was the first time we used a heavy public relations push."

Even the package design was different. For the first time in many years, Stouffer's departed from the traditional coral-colored packaging and hired a San Francisco design firm, Landor Associates, to devise the white packaging which Stouffer's hoped "would reflect the attitude the potential customer would have — one of eating lighter, less filling foods," reports Creamer's Sprague. Also the white package would help identify the product and keep it from getting lost in a sea of coral.

According to some industry mavens "that sea of coral" captures between 44 and 50% of the frozen food business. If New York City is any criterion, half of the frozen food facings are Stouffer's. The red package still sells at a higher rate than Lean Cuisine.

Spending on Lean Cuisine is no longer at ground floor budgeting. "We are now spending about $6 million," explains Howard Gittens, a Creamer vp assigned to the Stouffer's entree account — or as he calls himself, "just one of the guys."

Gittins observes. "We seem to be bucking the economic trend. Even though there is a recession on and people have less disposable income, they will buy quality. They want value for money spent."

Advertising schedules for Stouffer's and Lean Cuisine are quite similar. "We have a basic media plan for net tv and the 50 top markets for spot. We'll be using more print than before because we have a higher advertising budget," says Gittins. Stouffer's, he notes, will repeat its gatefold in March using *Better Homes and Gardens, Ladies Home Journal, Bon Appetit* and *People*."

Although a heavy magazine schedule is used, Stouffer's doesn't coupon. We don't really feel it's necessary," explains Gittins. "Stouffer's doesn't see the point of couponing unless they're introducing a new product or are up against unusually stiff competition."

The pizza end of Stouffer's remains spicy, despite the problems plaguing other pizza manufacturers. "Stouffer's French Bread pizza line has been virtually unchallenged," Gittins says. "Except for local brands, there is very little competition."

However, Alan McDonald, former Stouffer president now with parent company Nestle, predicted in a speech recently: "Quality pizza brands will be ruined by short-term giveaway coupon

In the TAMPA
BAY MARKET*
The Tampa Tribune
offers advertisers
THE LOWEST

CPM

PROSPECTS
in the
buying
ages
and
higher
income
households!

Find out why the Tampa Tribune is the quality buy in the Tampa Bay market. Just send us your business card and we'll mail you our latest market brief, "The Quality Buy."

THE
TAMPA TRIBUNE
Morning and Sunday

Send to: Byron Taggart,
General Advertisng Mgr.
Tampa Tribune
P. O. Box 191,
Tampa, Florida 33601

*The dynamic Tampa Bay market is comprised of Hillsborough, Pasco and Pinellas Counties.

The Quality Buy

programs — a tough commentary."

McDonald's prediction may be a moot point because, according to an article in *Quick Frozen Foods*, trade paper for the industry, the premium pizza market peaked two years ago and now all the action is in price.

### Campbell's

Swanson marketing chief Shea puts great emphasis on an aging U.S. population as a reason for the success of gourmet frozen food entrees and dinners. Le Menu, with present distribution on the West Coast from Sacramento to Los Angeles and east to Phoenix, is already getting over 100 letters a week — 45% of them penned by elderly gentlemen waxing enthusiastic about the product. "Le Menu is running above sales projections and in some cases we're having trouble meeting the demand. We're scheduled for distribution in New York within two months," comments Shea.

The distribution and roll-out for Le Menu appears to be paralleling Armour's Dinner Classics. With the advertising muscle of the new regime at Campbell's (doubling advertising budgets in the past two years), it's conceivable that Le Menu will outspend all other premium products.

> **"With the advertising muscle of the new regime at Campbell's, it's conceivable that Le Menu will outspend all other premium products."**

Le Menu is not targeted as low calorie, even though the dinners contain less than 500 calories. It's positioned as a premium product. Even with the Swanson logo on the Le Menu package, consumers don't see it as a line extension for the regular Swanson tv dinners (which are targeted to the blue collar market.)

The target market for Le Menu is single and two-person households. Swanson's is buying spot tv in early news, primetime and fringe. Magazine schedules include women's magazines, *People* and *Newsweek*. Couponing is handled through Sunday papers.

Shea expects Le Menu to bring in $100 million in sales by 1984. "This is a growing category. Le Menu has revitalized our image by giving Swanson's a well-entrenched niche in the premium segment. We're sure it'll be successful even in New York, where restaurant food is so expensive you can't get much of anything for less than $6.00. I think this will lead to a backlash against eating out."

Swanson's has resumed advertising on the regular tv and Hungry Man dinner lines. During July, network tv was scheduled; dayparts included prime, late night and daytime. Shea says Swanson's "hopes to increase frequency of use and bring the product to more top-of-mind awareness."

Targeting for tv dinners is blue collar, non-professional. Although the product hasn't been reformulated, Shea did say that quality improvements have been made. Swanson's return to advertising for regular tv dinners may be prompted by expectations of some positive rub-off from Le Menu.

### Action at Campbell's Pepperidge Farm

Although not considered to be strictly an entree, Pepperidge Farm's Deli pastry line sandwiches are now introducing three new varieties, bringing the line up to nine. They are rolling-out nationally and advertising the line on network tv both in primetime and late night. Couponing will follow. Print advertising will be scheduled mainly for women's magazines. The gourmet Vegetables 'n Pastry is a cousin to the Deli line and is designed to appeal to consumers with gourmet preferences but limited time.

KEEP FROZEN
PEPPERIDGE FARM
Vegetables in Pastry
CONTAINS TWO PASTRIES

Campbell's beat out two other frozen food producers when it picked up Mrs. Paul's. Although frozen fish is fairly high priced and sales for it have been fairly flat, Campbell's sees fish as a growth category for them because of the promising demand from health-conscious consumers.

### Weight Watchers

Reformulated products, successful introductions and some rub-off from Lean Cuisine have been factors contributing to the 50% jump in volume for Weight Watchers in the past year.,

Gerry Herrick, president of Foodways National, a division of H.J. Heinz, doesn't see an end to this continued success for some time because, he says, "with 67% of women either dieting or watching their weight, that adds up to continued growth in the field."

"The whole frozen food entree category has experienced tremendous success," added Herrick. "The situation has really turned around."

Weight Watchers is after a broad-based target — much the same as Lean Cuisine — but magazine scheduling for Weight Watchers is broader in scope. This year they are in 21 books: *Cosmopolitan, Essence, Reader's Digest* and *TV Guide*, just to name a few. Television scheduling taps late night fringe to catch the working woman and daytime for the homemaker. On the NBC's *Tonight Show*, for example, Weight Watchers has been spotted running two ads within a half hour of one another.

The new Southern Fried Chicken variety went national in September 1982 and is now one of their top four best sellers. Print ads are designed differently for their five new Boil'n Bag items.

Although sweet frozen foods are down, Weight Watchers has injected a low-cal dessert into its line-up. "Our research indicates that the woman on a diet wants a dessert that is low in calories. Other frozen, low calorie desserts have not worked out but we are sure that these will really go." Also added within the past year are two new Weight Watchers pizzas and three new fish items (that are now in test market.) Herrick didn't seem to think fish is risky even though the category's sales have been relatively stagnant. "It is nutritious, low in calories and appears three times a week on the Weight Watchers diet," he explains.

In all, 17 new items were introduced by Weight Watchers in the past year. Couponing is big with the line.

"We coupon both in and out of class, sometimes right in the store. We

THE TASTE THAT NEVER SAYS DIET.

DIETERS NEVER HAD IT SO GOOD.

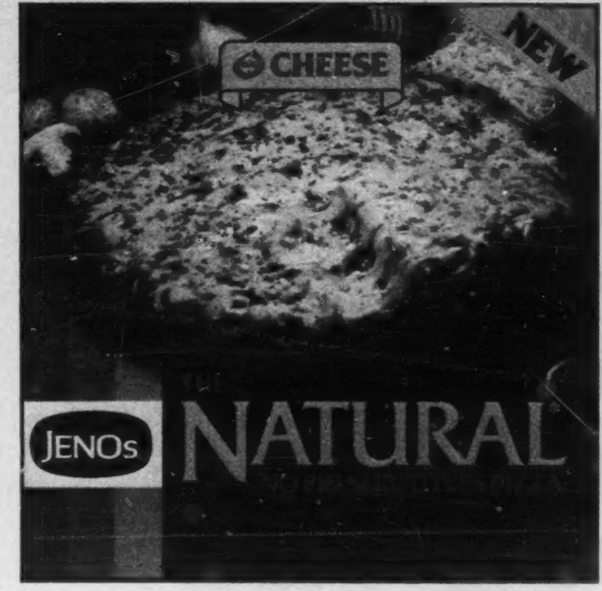
THE AVERAGE WEEKLY FOOD EXPENDITURE OF DIARIO LAS AMERICAS HOUSEHOLDS IS $88.52.

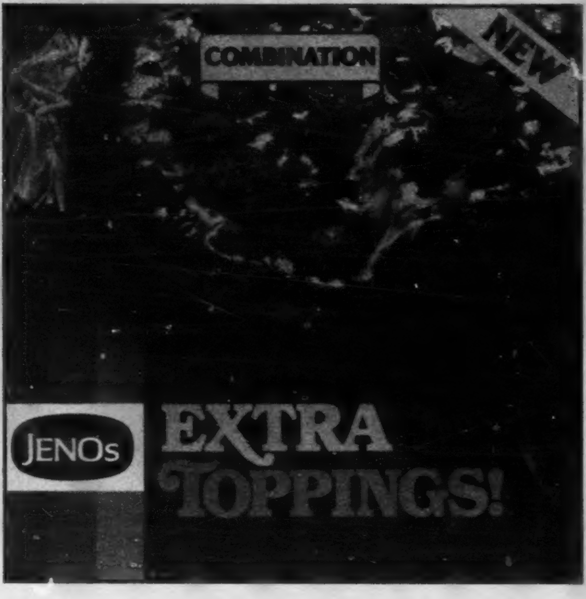
Diario Las Américas

The Spanish-language Daily Newspaper
Founded July 4, 1953

Diario Las Américas
2900 N.W. 39th Street
Miami, Florida 33142-5193
(305) 633-3341

Read all about it. Ask for
Diario Las Américas' new Reader Profile.





also use newspaper inserts," says Herrick.

### Jeno's

For the Duluth, Minnesota-based frozen pizza manufacturer the recent past has been peppered with lawsuits, coupon fights, price slashing and pizza sludge. But it has also been marked with acquisitions and line extensions.

In the past year, Jeno's started consolidating. They bought John's out of Chicago and Gino's from the West Coast. John's is a premium-priced pizza in spotty distribution in the midwest and northeast. Why buy another pizza? "Well, we're like any company. We know that people like variety and another choice is important to them," explains Will Willis, Jeno's executive vp in charge of marketing and sales. "Right now we're testing John's to see if we should keep the price where it is or bring it down.

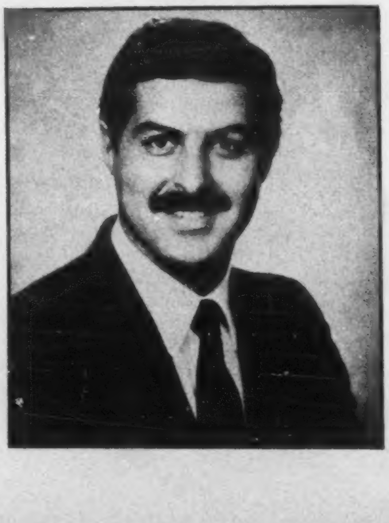
"When we bought John's, the Cresta Mexican line came along with the buy. Ethnic food is hot and Mexican is very popular right now. It has tremendous growth potential. Right now the line is in distribution from Northern California down to Southern California and over to Phoenix — or what we call the Golden L. This year we'll have seven entrees — entrees rather than dinners because they sell the best.

"Our other ethnic line is Italian," he adds. "We are testing new Italian entrees in Portland/Seattle, Denver, Dallas and Houston."

Willis explains that the diversification is natural and necessary. Pizza is a commodity business; there isn't much profit or growth with all the different lables undercutting each other with coupons and two-for-one-sales.

An Italian entree line, he explains, is less price sensitive and rounds out their product line. Also, the company can use the same network of brokers and distributors. The line has been customized with a new package design so that all the products are easily identifiable.

Jeno's would also like a slice of the same french bread pizza market that Stouffer's has so handily gobbled-up. Says Willis: "We currently have a french bread pizza in test market for introduction sometime next year."



Will Willis, Jeno's exec. vp mkt. & sales.

New product advertising will very much depend on the season and the environment, but we're in *Sunset* and *Southern Living* and will be using women's magazines as the product lines become national," says Willis.

In the first six months of 1982, according to LNA, Jeno's has used both net and spot tv. In 1981, Jeno's invested over half of its advertising budget in spot tv and dished-out the balance to net tv ($200,000) and newspapers. Couponing at Jeno's is done with free-standing stuffers in opportunity or problem areas. It's using in-store couponing, cross-reference couponing and direct mail, as well.

Behind all of the new product introductions, line diversifications and acquisitions, say Willis, is Jeno Paulucci — the founder of the company. "Can you imagine what it's like to work with a guy who always shows-up early in the morning and stays late at night — often six days a week. He's a real shirtsleeves type of guy, a dynamo."

### Armour's Dinner Classics

Tim Dorgan, vp-management rep. resentative at Bozell & Jacobs, agency for Dinner Classics, says the frozen food entree business can be understood by looking at what's happening in the economy. "This was a market that no one was marketing to," he says. "Tv dinners had been flat. Frozen dinners and entrees merely reflect what's happening to incomes throughout the country — high end, low end."

Initially, Dinner Classics, which have been out for three years, were handled by Young & Rubicam. But Armour switched agencies for a new approach, according to Nick Rago, Armour vp-general manager of frozen food and the food service division.

Armour isn't a newcomer in the frozen food business. It's been selling icy ingestibles for 25 years — but on the institutional side servicing hospitals, schools etc. When research indicated that there was a market for a quality dinner, the company decided to get into that end of the market.

Notes Rago: "Consumers told us in taste panels, mall interviews and focus groups that they wanted more than just an entree. So we went for a three course dinner." Sales potentials run at $1.9 billion from frozen food entrees and about a half billion from the dinners.

"The changing lifestyle of the American household told us that they could afford this product and, in fact, want it. People are buying time-saving small appliances. Consumers have come to depend on them more and more. So frozen food entrees and dinners that can go from the freezer to the microwave to the table in 5 to 7 minutes are products for that demographic.

"Most people operate under the theory that you get what you pay for," say Rago. "Quality is very important at Armour. We have our main plant in Fairmont, Minnesota. Our vegetables reconstitute better because they're grown in rich Minnesota soil in the Le Sueur Valley. Even the package has been designed carefully with a protective dome lid."

Advertising for Dinner Classics makes heavy use of spot tv — all dayparts because, says Dorgan, of the diversified nature of the demographic. Newspapers are scheduled with heavy couponing. National women's magazines will be scheduled once Dinner Classics are available nationally.

Although Dinner Classics isn't touted as a low calorie product, it can be included in a diet because the calorie count is available on the back of the package, says Rago. "The dinners are substantial for the average American appetite. They satisfy, and half of dieting is just portion control," he notes.

VEAL PARMIGIANA DINNER
Stuffed GREEN PEPPERS
SWANSON TURKEY PIE
Mrs. Paul's French Fried Fish Fillets 4
Lean Cuisine SALISBURY STEAK
Two French Bread Pizzas cheese
Vegetables in

## Totino's

Armour isn't the only company taking advantage of the increasing number of microwave ovens in the country.

Totino's recently introduced an individual-sized pizza slice that can go into microwaves. Ordinarily, microwaves aren't used very successfully for heating-up bakery goods because the appliance typically turns crust into something resembling soggy cardboard. But Totino's feels that they've gotten around that problem.

The new product was originally geared for convenience stores such as 7-11's and not larger grocery chains, explains Mark DeNaray, new business executive at Pillsbury, Totino's parent company. "But larger chains picked it up and sold it anyway. The microwave slice is now available in Minneapolis and Chicago.

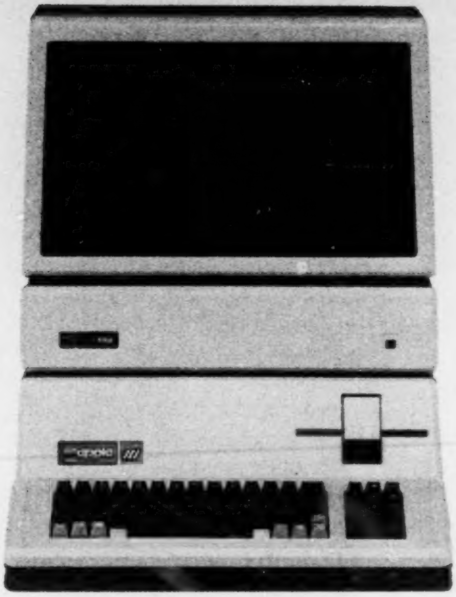
A new package design was put together by R. Overlook Howe of St. Louis, a frequent package designer for Ralston Purina.

Although Jeno's is going after Stouffer's French Bread Pizza line, Totino's isn't. De Naray explained why: "That segment of the market is declining so there doesn't seem to be any reason to go after it." According to a July article in an industry trade magazine, a decline is predicted in frozen pizza consumption nationwide. Although Totino's has the top spot with a 27% share, consumers select from the low end of the market because of the recession.

When asked if Totino's will follow Jeno's lead and diversify their line, De Naray said: "I know that's the talk, but it's still being decided. One way or the other, something should happen within the next six months."

Totino's spends over half of its advertising budget on spot tv and has a budget for spot radio as well. Couponing is done through newspapers. Consumer magazines are used to support spot tv.

*Kitty Dawson*



# Ten million personal computermakers each spent more than $1 million on media last year — one spent nearly $20 million. But media isn't the only big story in this business.

It doesn't take a latter day Sherlock Holmes to figure out what's been happening in the personal computer business.

A boisterous free-for-all market battle has rapidly emerged, one which is without precedent in an industry that was never known for gentle competitive jousting and which has engulfed dozens of vendors large and small.

At stake: a pot of gold expected to swell to $14 billion by 1985, a conservative estimate in light of the contention by makers and observers alike that the personal computer will revolutionize the home and workplace over the next few years.

One clue explaining the struggle was recently supplied by *Time*. In place of the prestigious and often controversial person of the year was a machine, the personal computer. The editorial board had decided that, in 1982, the personal computer had done more to affect mankind than had any single human being.

There will be those who question the appropriateness of the choice, but few will argue that the pc is changing the way people communicate and work — least of all, those selling the phenomenon.

The growth figures unquestionably justify *Time's* proclamation that the pc has captured some of the country's fancy. Roughly 3.2 million units found their way to the home and workplace in 1982, according to Future Computing, a Richardson, Texas-based research firm. This represents $4 billion in revenue for vendors, a figure that will balloon to $7 billion this year. For a quick perspective on this explosive market: 900,000 pc's were shipped in 1981, and that was a quantum leap over 1980 shipments.

Where has this incredible bounty been harvested? Without a doubt, the home, where growth has quadrupled in a matter of months. Units shipped to the office have trotted along at a 65% growth rate.

Texas Instruments, whose 99/4A was languishing on dealers' shelves four years ago, sold 550,000 in 1982 versus 20,000 in 1981. Emboldened by this change in fortune, TI thinks it will sell over a million this year.

Though undeniably one of the most clear-cut success stories in the business, TI's victory is not completely representative because of the $100 rebate it offered on the models during the last part of 1982.

However, IBM's is. Big Blue entered the personal computer field in 1981 (it has yet to offer a computer for the home) and rapidly scooped up a third of the market. Tandy's TRS-80 and Apple still command leads but many wonder for how long. IBM sold 200,000 in '82 and could double that figure this year.

Numerous others could be cited for record gains last year — especially Commodore and Timex who together sold a total of more than 1.2 million pc's. But the fact is, no one is losing yet. The huge potential of the market has only recently been tapped and the vague outlines of many different markets are only beginning to come into focus. These outlines reveal vast — indeed fathomless — reservoirs of potential revenue for those brave and strong enough to enter the rough waters.

Broadly speaking, four markets are being harnessed.

Every home with a tv set is considered fair game for personal computers that retail under $300. That market was 85 million strong in 1982 and is still growing.

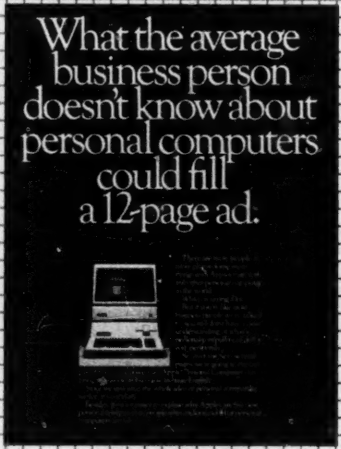
Five million small businesses in the country are being groomed by makers producing more powerful — and more expensive — machines. "Small" in this case means a company posting annual revenues between $500,000 and $1 million.

"TI's Home Computer.
This is the one."
Texas Instruments

Next, and most attractive to many, is the professional/managerial market composed of more than 15 million middle managers.

And, after those ranks are conquered, senior management is next on the dance line. The pc is billed as a necessity item for the middle manager, but marketers believe senior management has an innate prejudice against anything with a keyboard. The reason: typing, they believe, is the function of the secretary, not the boss.

To a lesser extent, the school market holds potential as well. Toddlers can certainly benefit from the learning experience just as much as the graduate student — who could probably find a number of other applications, say proponents. But there's an obvious added benefit in selling computers to a school: if children learn on a model at school they'll likely ask to have the same one at home — that is, if the theory of brand loyalty holds up in this business. The TRS-80 Model III is so far the teacher's pet in the school market, which swallowed up 250,000 units last year.



Widely divergent ad copy themes are indicative of the wide diversity of how vendors approach their targets — but beyond the multiplicity of messages, general rules seem to be developing about media usage. For those with the heavy budgets, net tv has quickly become almost indispensable.

HERE'S THE PERSONAL COMPUTER AD OUR COMPETITION DOESN'T WANT YOU TO READ.
NEC
The Benchmark in World Class Computers

The simple rule: tv spreads the awareness, and helps to melt some of the fear associated with the computer.

Magazines form the other important half of the formula: if television informs the viewer of the product's existence, then it's left to print to discuss how to use it. Apple has evolved as the master of this approach. Double gatefolds sport whimsical copy about the dozens of ways the pc can be used, whether for talking with animals or catching a thief. Expanding on this media idea, Apple inserted a booklet in *Fortune* and later in other business publications — explaining in greater detail how the pc can be used in the workplace. It was entitled: "What the average business person doesn't know about personal computers could fill a 12-page ad."

Apple's ad philosophy is coined by Paul Wiefels, manager of product advertising: "People don't fundamentally understand what computers are all about. While other advertisers are talking about 28K versus 48K, we attempt to educate, to show how the pc will make meaningful contributions to their lives."

While Apple has been taking the funny-informational route, others have different ideas:

- Commodore took direct aim at the video games during its recent pre-Christmas flight by arguing that its model VIC-20 could compute as well as play games, thus making its purchase at Christmas more justifiable.

- Tandy/Radio Shack features Isaac Asimov marvelling at the wonders of the TRS-80 color computer, while monthly fliers to customers marvel at the ranges of accessories and cheap prices of the five TRS-80 models.
- Texas Instruments has incorporated an endearing, chummy message in its tv and print ads by employing Bill Cosby as spokesman.
- IBM's ("a tool for modern times") use of the Charlie Chaplin look-alike is intended to draw parallels with "Modern Times," in which Chaplin is swallowed alive by an insidious machine. Yet here, he and the pc are completely compatible.
- Wang is imploring managers — through the guise of Charlton Heston — to get in "the fast lane" and employ a personal computer.
- Osborne goes head to head with Apple and IBM on a cost basis, showing that its Model I, even with a range of software and hardware options, goes for half the price of the other products.
- Digital — alias "more personal, more computer" — has taken a variety of approaches, but generally centers on product quality and office capabilities.
- Atari, far and away the big spender in media dollars, initiated a new campaign designed to set it apart from the gaggle of new entrants in the pc field. Copy is designed to stress its "leadership" position in the business as well as its "innovativeness," important ingredients because the company lost its leadership position to frontrunners Timex, TI and Commodore in the home market.
- Timex displays ads which stress price and the wonder of the pc. The tagline: "the power is within your reach."

Total media expenditures for the category in 1981 were $16,251,000, of which Atari and Apple contributed over 70%. But, for the first 9 months of 1982, spending blossomed to $27 million. This, of course, doesn't include substantial holiday expenditures, the most notable being the $17 million spent by Commodore in the 4th quarter alone. Magazines were the happy recipients of a nearly 100% increase in budgets from personal computers.

Winning the hearts, minds and money of the home purchaser was the result of two factors converging: (1)the immediate sensation of the video game, and (2)steadily declining prices of all home computers.

One study from the marketing department of Texas Instruments shows that 27% of all 99/4A purchasers in 1981 owned some sort of video game, which suggests that the buyer is either frustrated with the limited software capacity of the video game or that he or she has become comfortable with computer technology — thanks to the primitive Pac Man ritual.

The message hasn't been lost on either Mattel or Coleco, both of whom will offer add-on modules that expand their video games into full-fledged computers. These products will come out sometime this Spring.

**PERSONAL COMPUTER MEDIA EXPENDITURES (JANUARY THROUGH SEPTEMBER, 1982)***

| | Total | Magazines | News supps | Spot tv | Net tv | Net radio |
|---|---|---|---|---|---|---|
| Apple | 3,450.2 | 3,110.3 | | 87.1 | | 232.0 |
| Commodore | 650.9 | 650.9 | | | | |
| Digital | 482.8 | 482.8 | | | | |
| IBM | 3,620.4 | 3,307.0 | 313.4 | | | |
| Osborne | 1,069.3 | 954.3 | | 115.0 | | |
| Sinclair | 1,286.9 | 1,245.5 | 19.8 | 21.6 | | |
| Tandy (TRS-80) | 2,027.8 | 652.3 | | 2.9 | 1,372.6 | |
| Texas Instruments | 3,183.8 | | | 3,183.8 | | |
| Timex | 2,058.9 | 756.9 | | 1,302.5 | | |
| Wang | 918.0 | 720.7 | | 197.3 | 720.7 | |
| Warner (Atari) | 7,786.4 | 1,306.0 | | 5,819.2 | 660.9 | |
| Xerox | 274.0 | 274.0 | | | | |

* LNA/Jan.-Sept. '82.

Atari 400/800 sales rose quickly on the video game's star and now the company is readying introduction of a more sophisticated product, one that will straddle the home and the business markets.

The new baby is the XL1200, which will have a memory capacity of 48K (that is, the ability to store 48 thousand bits of information.)

But the Atari introduction is partially a timed response to a new product from Commodore that incorporates a 64K memory — and is priced for the home market. This product, the Commodore 64, quickly racked up sales of 100,000 since its introduction last fall, says a report from Future Computing.

Indeed Commodore's success in tapping the home market has galvanized other producers into cost-cutting moves as well as new product introductions. The company first saw gold in the market when its PET model saw meteoric gains. Next, the VIC-20, a more powerful and versatile machine stormed the marketplace after a heavy dosage of advertising. Over 600,000 were shipped in the U.S., making this product one of the hottest home computers in 1982. Its success was predicated on a simple head-to-head strategy with video games, a message overwhelmingly obvious in the $17 million pre-Christmas advertising barrage the company directed at consumers in 1982.

Explains product market manager Micheal Tomczyk: "We said, why buy a video game when you can buy a computer for the same price? We blasted them out of the water."

The Commodore 64, given birth last year, will double-whammy the market with a dual theme of price and performance in its 1983 campaign. The message in effect says: why buy a simple ordinary home computer when you can buy a more powerful one that can be used both at home and work?

Price is clearly the horse all marketers are riding in the home computer race. The Commodore 64 will be tagged at $595, which has to cause some worry in Atari's camp, whose most re-

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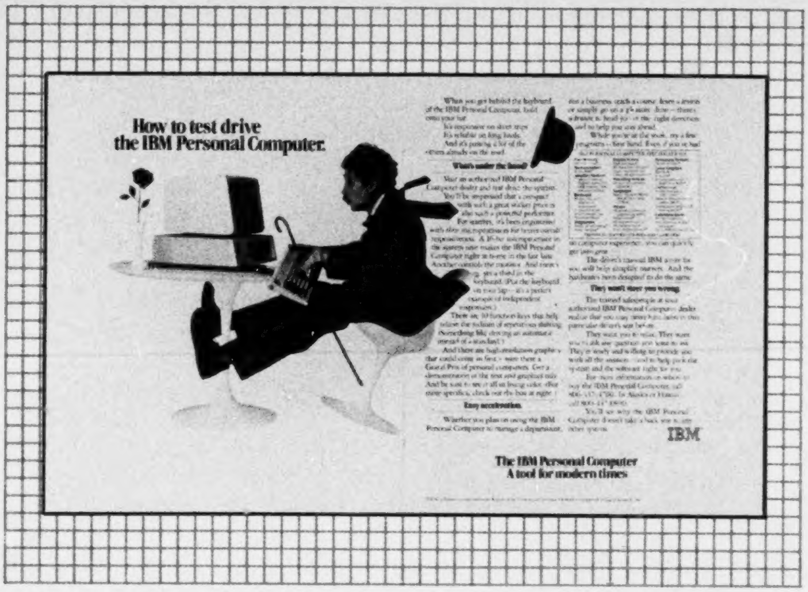

How to test drive
the IBM Personal Computer.
IBM
The IBM Personal Computer
A tool for modern times

Many personal computers are becoming cheaper — although at the same time more powerful and dexterous.

"This market is just getting started because the price has been wrong," argues Tandy's director of financial planning, Garland Asher. "Office automation up till now has been the buy-word — but no business is going to spend $20,000 for a machine. If the intergrated office happens, it's got to be cheap."

Apple's much touted Lisa is cheap — relatively speaking. For about $10,000 this personal computer promises to do just about everything under the sun — and maybe a little bit more. One feature: a main memory that can hold 512,000 bits of information and can expand to 1 million. Five years ago, a computer with a similar capacity would have cost several hundred thousand dollars.

Another feature: Lisa, which actually stands for "local integrated software architecture," will let the user perform numerous functions without the need for additional software.

But in reality, Apple's ambitions for Lisa may not broach those it has for Apple III, or the new products, MacIntosh and Apple IIe. The reason is high price, which puts the computer in a different class of products. "Lisa is in the high end of the market," says Egil Juliussen, chairman of Future Computing. "One of the leaders here is Fortune Systems."

The MacIntosh and Apple IIe are even cheaper than Lisa but offer the computing power necessary to compete in the professional market.

The company is also tightening up its core marketing efforts: its dealer network is being expanded as well as its direct selling force, two areas that IBM has long mastered, but are seeds of Apple's troubles.

For Apple, the moves are significant and imperative. Though possessor of a large dealer network (unlike IBM, Apple has no service center stores), it was plagued by a rash of sales by the retail outlets to wholesalers, who then sold the machines at discount. Apple stemmed the tide by refusing to service computers that were not sold through an authorized dealer. But the question — and importance — of dealer loyalty remains, as it does for all vendors.

The dealer connection has quickly assumed major importance in the marketing of personal computers — and many fear IBM may have an insurmountable lead in this area. The company has 36 of its own stores plus a network of 600 retailers. Like any store owner, the retail manager at a consumer electronics outlet gives shelf preference and advertising to the model that sells — and IBM is selling.

"IBM's approach is like the classic Procter & Gamble approach," says Lanny Houillion, vp and account manager at O&M/Houston, the agency for Texas Instruments. "If you can sell the consumer, you don't have to sell the grocery store managers in addition."

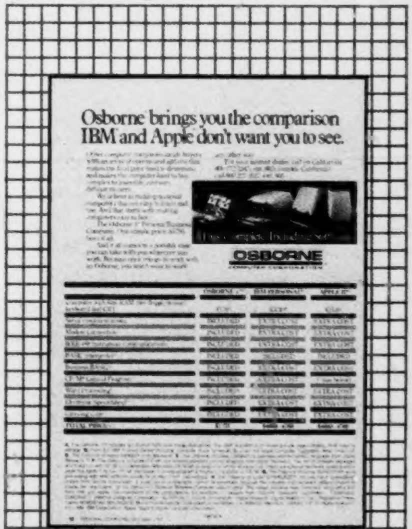
Apple is realigning its strengths in other areas as well. Recently appointed executive vice president of marketing and sales was E. Floyd Kvamme, previously president of National Advanced Systems, a National Semiconductor subsidiary.

His role: to get Apple moving in the overseas market — a huge untapped one and, again, dominated by IBM; and to get them — especially Lisa — moving into the offices of America.

One way Apple's been attacking the professional market is through its National Accounts Program, started a couple of years ago and designed to service large customers. "But our primary reason for putting the program together," says Kvamme, "was in anticipation of products coming up — heavily in anticipation of the Lisa product."

The NAP caters to the so-called "management information systems" director, an individual who designs a company's computer system. "The MIS director is the guy that bought the mainframe," says Kvamme. "He's looked to in any firm as the guiding light. We'll approach him — and the user."

Though this involves more of a direct selling effort than anything else, consumer advertising does play a part as well. The reason: in many corporations, the user is allowed to make his or her own decision concerning which personal computer he wants to use, as


Osborne brings you the comparison
IBM and Apple don't want you to see.
OSBORNE

cent entrant, the XL1200, will go for just under a thousand.

As mentioned, Texas Instruments provided the first burst of adrenalin when a $100 rebate was offered. But this act was upstaged by the timely entry last summer of Timex, which, through a joint agreement with Sinclair Research of the U.K., unveiled a handy little device that would sell under $100, beating out TI by over $100.

TI roared back with a campaign that touted its LOGO software, a sophistocated learning package that, among other things, allows the child using it to draw on the computer. TI also touted its machine's superior computing power — an "upgradable" 16K machine with an impressive library of software. The little TS-1000 of Timex has only a 1K memory capability.

TI soothed user fears with the friendly Bill Cosby; Timex excited consumers with slick futuristic advertising — and of course the $100 price tag.

Timex sold 600,000 of these devices in the first six months, by any yardstick a hugely successful opening act.

But the heated race between Timex and TI goes on. TI will soon be attacked at the upper end of the home market, where its expanded home computer sells for a heady $400 to $500 but offers a dizzying display of memory capability. (For $200 above the list price of the basic package, the TI 99/4A can be upgraded to 48K.) At the recent Consumer Electronics Show in Las Vegas, Timex/Sinclair unveiled a brand new product — dubbed the TS2000 — which has the same horse power as the upgradable TI machine, but sells for much less. Two different versions — with 16K or 48K capacity — will sell for $150 and $200 respectively.

### Tackling the office

The big news at Apple last month was Lisa — the introduction of a personal super computer whose name, heresay has it, was inspired by the daughter of chairman and company founder Steven Jobs. Yet for Jobs and the future of Apple, it's hoped that Lisa will turn out to be more than just fond paternal memories.

The company has been taking its hard knocks recently, both from analysts and in the marketplace. Not that sales of the popular Apple II have slipped — indeed, they've grown along with the rest of the marketplace. Apple's problem: IBM, and to a lesser extent, Digital Equipment Corporation. Both have popular personal computers as well, and both are meeting with wide acceptance at Fortune 1000 companies which have already installed their mainframes.

To continue collecting accolades which have been so generously lavished on the company since its founding in '77, Apple will have to make greater headway in the tough professional market.

Lisa may be the salvation. The powerful multi-talented machine may be just the medicine to break the tightening IBM grip.

Yet Apple is not alone in the battle against firmly entrenched IBM. Tandy has been introducing a succession of newer and more dramatic products in an attempt to make some advances. The latest, the Model 16, incorporates a 128K memory base with two disk drives — a configuration that makes it virtually as powerful as any mainframe.

Texas Instruments covers the bases in both the low-end market and the very high priced micro-computer market. But it missed the boat into the office. Soon, however, its busy engineers will unveil an inexpensive but versatile machine designed to go head-to-head with the powerful IBM pc — and perhaps beyond. It will have communciations capabilities that will let machines talk with one another, either cross-office or cross-country.

Dozens of other companies are scrambling for a toehold. Among them: Osborne, the California-based firm founded by industry gadfly Adam Osborne, is attempting to break open the professional market with a very low-cost portable computer. Olivetti is cashing in on the expertise of its new owner, Docutel, to market a product strictly designed for the financial services-type business. Wang, which recently shipped the first 500 of its new personal computer, plans to sell it as part of the "office of the future."

Why the mad dash to market? As noted, personal computer companies hope to make an impression before IBM and DEC make significant gains. But, like the home computer, this market has been revved-up by a convergence of both price and technology.

The most personal computer.
apple

long as the machine fits within the overall guidelines set by the MIS director.

### Big Blue

Will IBM be number one in personal computers in 1984? Or, will IBM be selling a home computer by that time?

The two favorite questions asked by IBM watchers can probably be answered in the affirmative, which is why this company is the most talked about and most feared in the personal computer arena.

Even though the business is young, IBM already has some sigificant advantages:

- Its presence and image in corporate America is ubiquitous. Says Charles Johnson, group director of computer systems for Wang: "You have the typical problems in marketing against IBM. They've got the numbers and the image. IBM sells on their image. In the case of Wang, you have to sell yourself first; then the product second."
- Hundreds of software writers are creating programs compatible with the IBM pc on the assumption that it will be the dominant model in the next few years. IBM markets only 39 of its own titles; nearly 1,200 are produced by outside programers. A simple marketing rule of thumb in the computer business says that the more programs the computer can use, the more desirable it is to a buyer.
- IBM has an extensive network of dealers, but also has a handful of company-owned stores. Locations of these stores are important: though many are naturally situated in the largest markets, some are in small communities as well. IBM wants to make some headway in the burgeoning farmer/rancher market for personal computers.
- IBM already has "a selling presence" in many large companies. Because so many IBM mainframes are already installed in companies, IBM's sales force has a well-established relationship with potential customers for the pc.

IBM recently took another step to pump-up its marketing prowess when it penned an agreement with Intel which will give the computer manufactuer 12% ownership of the major semiconductor chip maker. This presents the possibility that IBM, by controlling costs in the highly volatile chip business, will ultimately make cheaper computers. Only TI, among all domestic pc companies, currently enjoys this competitive advantage. TI is the largest producer of chips in the world.

Adding the topping to this already primed-for-success marketing mixture, the company can fund a large advertsing program. Dollar for dollar, at the moment, IBM is spending a little less than Apple, which is the industry leader in measured expenses in the professional pc market. Tandy's ad program bills over $200 million, though much of this is funneled into its monthly flier program which touts all of Radio Shack's products.

"The focus of our advertising program," explains ad manager for the IBM pc, Dave McGovern," is really to let people know that we have a product, a personal computer. And to let people know what it will do for them. Basically, we're trying to build awareness and take away some of the fear." The ad copy in magazines tells people where they "can see, try, and buy one," by listing dealers in their particular area. Newspaper copy likewise lists dealers; however the company does not offer co-op to its dealers.

Tv forms the backbone of this program: a 65/35% split between spot and network is used to deliver a primarily male, 25-54 audience. Thus programing tends towards the predictable: sports, news and special events. (IBM took out semi-sponsorship on CBS's recent *Blue & Gray* special. Likewise, it will sponsor a significant portion of ABC's *Winds of War*, which ran this month).

The program's print schedule again reveals little surprise — the major newsweeklies are used as are a number of important computer books, including *Byte*, and *Popular Computing*.

However, a unique media vehicle — and no doubt one that makes competitors green with envy — is a list of magazines that are devoted exclusively to the IBM personal computer, for use by owners of the machines and their software makers.

These include: *P.C. Computer*, with circulation of 75,000, *Personal Computer Age*, *Reference*, *P.C. World*, and *Softtalk IBM*.

*Verne Gay*

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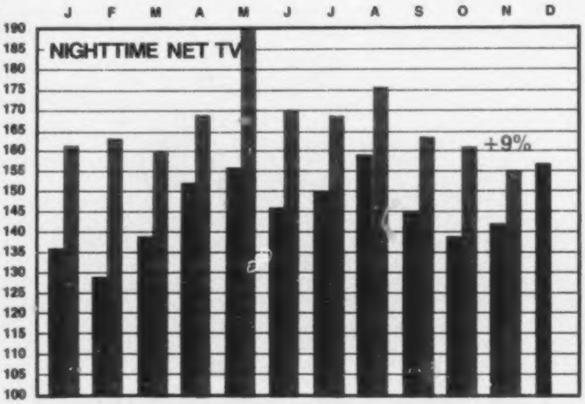
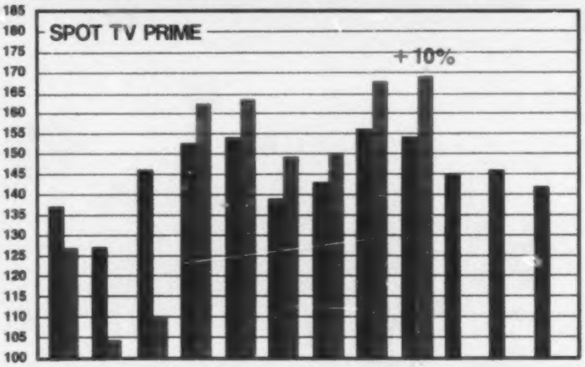
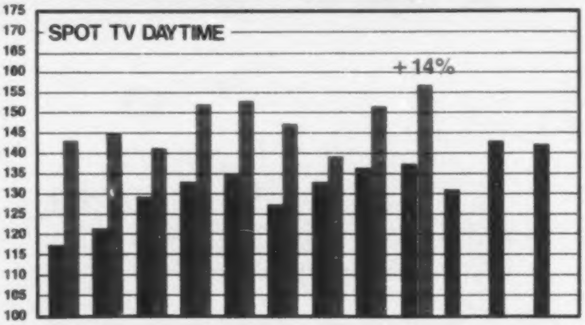
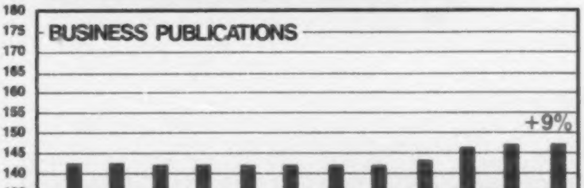
# MEDIA COST INDEX

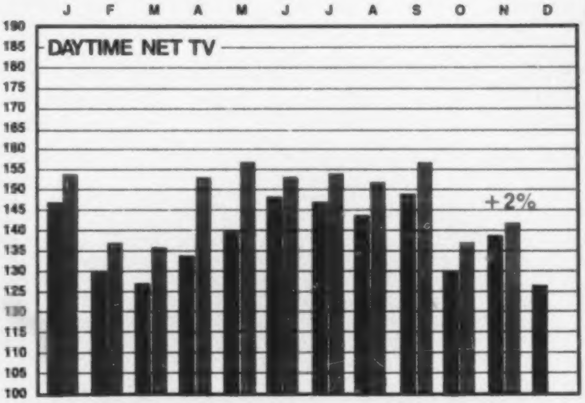
Black bars index for 1981; red bars 1982; base year 1977











**Updates on last issue** include new data on nighttime net tv, daytime net tv, business publications, net radio and consumer magazines. Also a few bits of information on January 1983. The estimate is in from business publications in January 1983, a jump to index 153 — 8% over January 1982. And in national supps, the estimate for January 1983 is a rise to index 180 — 10% over January 1982.

**In net tv,** nighttime continues to command much larger price rises than daytime. Most recent data is for November 1982 compared to the same month in the year previous. Nighttime costs are up 9%, whereas daytime costs are only up 2%. This is continuation of mid-1982 trend.

**In business publications,** the price hikes tend to occur at year-end and apply all year. For 1983, the cost rise in this medium appears to be plus 8-9%.

**In national supps,** a similar situation appears to be the case, up 10% for the year 1982 to be followed by an additional 10% rise in 1983.

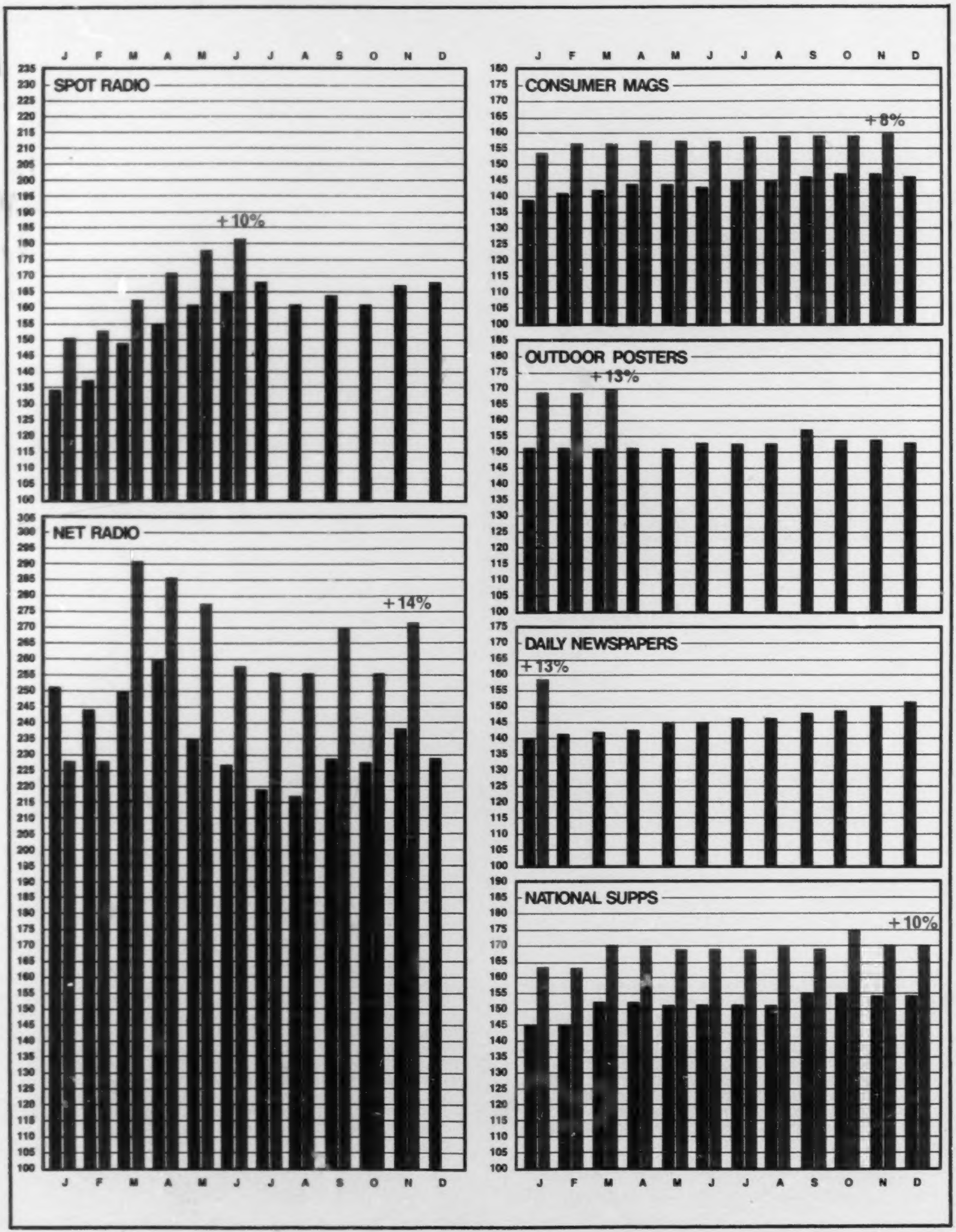
**Net radio** continues to show strength, with prices 14% higher in November 1982 vs. November 1981.

**In consumer magazines,** we have a similar situation, but with a more moderate rise of 7% for November 1982 compared to November 1981.

**The Media Cost Index** reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday-Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio estimates** are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine estimate** based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications. **Outdoor Posters** based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

# MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977



## SCHEDULING GUIDE TO 1983 AD READERSHIP STUDIES
## PART 2

# Late listings up total to 496

**With this list of corrections and additions, Bruce S. Childers, senior vp-marketing services, Meldrum and Fewsmith, Inc. wraps up his comprehensive listing of readership study schedules, by publications. The first part of the list was carried in *Decisions'* January issue.**

As a result of a late flurry of additional ad readership studies being scheduled for 1983, it appears that the number of publications offering studies and the number of total studies available for 1983 will be equal to or even possibly exceed the number available in 1982.

Last month in the January issue of *Decisions*, we noted that the preliminary count of studies scheduled for 1983 was running 19% behind the number scheduled at the same time for 1982 (studies scheduled as of 11-15-81 versus 11-15-82). We also noted that the number of publications offering ad readership studies was trailing the 1982 level by 10%. But things have sure changed since then (see accompanying table).

Based on a count of the publications and study listings published last month and the additions to the list included at the end of this article, we find that there has been a substantial turnaround. In fact, *late additions* of ad readership schedules have exceeded those of previous years by over two to one.

Since last month, 86 publications have announced schedules of ad readership studies to be conducted in 1983 while only three publications have cancelled their previously announced schedules. In addition, another 14 publications plan to have studies conducted but did not have confirmed study dates available by our cut-off date of January 12, 1983. These additional publications will bring the number of publications offering studies for 1983 up to 496, which is only 3% below the actual

## Number of studies 1980-1983

| | 1980 | | 1981 | | 1982 | | 1983 | |
|---|---|---|---|---|---|---|---|---|
| Publication class | Publications | Number of studies | Publications | Number of studies | Publications | Number of studies | Publications | Number of studies |
| Consumer | 59 | 332 | 65 | 336 | 59 | 276 | 50 | 235 |
| General business and news | 23 | 311 | 26 | 324 | 23 | 279 | 26 | 266 |
| Specialized business | 303 | 1,084 | 320 | 1,213 | 307 | 1,076 | 309 | 1,077 |
| Health care | 44 | 155 | 56 | 165 | 61 | 181 | 57 | 177 |
| Farm | 26 | 31 | 30 | 38 | 33 | 46 | 33 | 46 |
| Canadian | 15 | 26 | 32 | 60 | 29 | 69 | 21 | 43 |
| **Totals:** | **470** | **1,939** | **529** | **2,136** | **511** | **1,927** | **496** | **1,838** |

Source: Meldrum & Fewsmith, January 14, 1983 number offering studies in 1982. If we were to add those 14 publications who say they will announce study schedules, our 1983 count will equal the actual count for 1982 (511 actual in 1982 versus 510 for 1983).

As for individual studies available for 1983, the preliminary count as of 11-15-82 has been increased by 341 studies. The listing of studies at the end of this article shows that 364 individual studies have been added and 23 have been cancelled since the January list was developed. As a result of these late additions, the scheduled studies confirmed thus far are only 4.6% behind the actual number of studies conducted in 1982. With the addition of the 14 publications who have not yet announced firm study dates and a number of others who always add studies during the year, we would not be surprised if the total for 1983 matches or even exceeds 1982.

The listing that follows shows corrections, revisions and additions to the listing of schedules which appeared in the January issue of *Decisions*. As in the past, we show the new information for only those publications and report dates where we have completed confirmation from both the publications and the readership service that the reports have been contracted. The cutoff date for this listing was January 14, 1983.

# ADDITIONAL 1983 READERSHIP STUDY DATES

### Specialized Business Publications

*American City & County* — Ad-Q: March, July, November
*American Machinist* — Advertising Performance: March, June, November
*Appliance Manufacturer* — Cahners: January, February, May, July, September, October
*Audio Times* — Ad-Q: May, December
*Automotive Marketing* — Ad-Chart: March, September
*Aviation Week & Space Technology* —Harvey: January 4, February 15, April 12, April 26, August 9, September 20, October 11
*Bank Systems & Equipment* — Ad-Q: April
*Beverage Industry* — Readex Red Sticker: March 25, June 24, September 23
*Billboard* — Ad Sell: February
*Brick & Clay Record* — Cahners: March, June, August, November
*Building Design & Construction* —Cahners: February, March, April, May, June, July, August, September, October, November, December
*Building Supply News* — Cahners: February, April, May, September
*Business Computer Systems* — Cahners: February, April, June
*Candy Industry* —Ad-Q: March, September
*Catalog Showroom Business* — Ad-Q: March
*Ceramic Industry* — Cahners: February, June, August, November
*Construction Equipment/Maintenance* —Starch: March, May, July, September
*Construction Specifier* —Ad-Q: March, July, November
*Contract* — Ad-Q: August
*Designfax* — Hagen-MMS: January, April, August
*Edn* — Cahners: January 6, February 17, March 17, April 14, May 12, June 23, August 18, September 15, October 13, November 24, December 15
*Electronics* — Ad-Q: March
*Electronic Business* — Cahners: January through December, plus May 1
*Facilities Design & Management* — Ad-Q: March
*Geyer's Dealer Topics* — Ad Call: February
*Giftware Business* — Ad-Q: October
*Hospitality (Restaurant)* — Starch: March, May, June, September, November
*Independent Agent* —Harvey: January, July
*Industrial Marketing* — Ad Chart: TBA
*Kitchen & Bath Business* — Ad-Q: March, October
*Material Handling Engineering* — Ad-Q: January, May, June, July, August, October
*Metal Progress* — Ad-Q: January, March, April, August, September, October
*Meeting News* — Ad-Q: July
*Merchandising* — Ad-Q: May, September, November
*Mining Engineering* — Readex: September
*Modern Materials Handling* — Cahners: January 6, January 20, February 7, March 21, April 6, June 6, September 6, September 20, November 7
*Motor/Age* — Ad Chart: March, June
*Multi-Housing* — Ad-Q: April, July
*National Jeweler* — Ad-Q: June 16, November 1
*Nation's Restaurant News* — Harvey: TBA
*Ocean Industry* — Readex Rating: March, May, December
*Ocean Industry-Europe* — Readex Rating: February
*Office Administration & Automation* —Fosdick: January, April, July
*Offshore* — Harvey: March, June 5, September, December
*Paper Film & Foil Convertor* —Ad Sell: April
*Premium/Incentive Business* — Ad-Q: March
*Production's Manufacturing Planbook* —Harvey: January, April, July, October
*Railway Track & Structures* — Simmons: March, September
*Railway Age* — Simmons: January, March, May, July, September, November
*Restaurants and Institutions Magazine* —Starch: January 1, March 15, July 15, December 1
*Savings & Loan News* — Harvey: TBA
*Security Distributing & Marketing* —Cahners: February, May, September
*Security World* — Cahners: February, May, September
*Sporting Goods Business* — Ad-Q: April
*33 Metal Producing* — Harvey: February, May
*Voced* — Ad-Q: March
*Video Business* — Ad-Q: May

### Consumer Magazines

*Black Enterprise* — Starch: TBA
*Boston Magazine* — Starch: TBA
*Family Weekly* — Starch: TBA
*Essence* — Starch: May, August
*Family Circle* — Starch: TBA
*Golf Magazine* — Starch: January, June
*Homeowners How To* — Starch: March/April, November/December
*Ladies' Home Journal* — Starch: TBA
*Mechanix Illustrated* — Starch: April, May, November
*National Geographic Magazine* — Starch: TBA
*The New Yorker* — Starch: TBA
*New York Times Magazine-Sophisticated Traveler Section* — Starch: March 13
*Outdoor Life* — Harvey: June/October
*Parade* — Starch: January 2, January 16, January 30, February 13, February 27, March 20, March 27, March 30, April 17, May 1, May 15, May 22, June 12, June 26, July 17, July 31, August 14, August 28, September 18, September 25, October 9, October 16, October 30, November 13, November 27, December 11
*Philadelphia Magazine* — Starch: TBA
*Popular Science* — Starch: April, May, October
*Seventeen* — Starch: January, March, April, August, October, December
*Ski* — Starch: January, September, November
*Stereo Review* — Starch: TBA
*Today's Office* — Starch: June
*True Story* — Starch: February, April, June, September, October, November, December
*TV Guide* — Starch: TBA
*Woman's Day* — Starch: January 11, February 8, March 8, April 5, April 26, May 17, June 7, July 5, August 2, September 1, September 13, October 4, October 25, November 15, December 13
*Yachting* — Starch: January

# CORRECTIONS TO THE JANUARY 1983 LISTINGS

## General Business, Management and News Publications

*Business Week (Industrial)* —Starch: January 24, February 21, March 21, April 18, May 16, June 13, July 11, August 8, September 5, October 3, October 31, November 28, December 26
*Business Week (National)* —Starch: January 3, January 10, January 17, January 24, January 31, February 7, February 14, February 21, February 28, March 7, March 14, March 21, March 28, April 4, April 11, April 18, April 25, May 2, May 9, May 16, May 23, May 30, June 6, June 13, June 20, June 27, July 4, July 11, July 18, July 25, August 1, August 8, August 15, August 22, August 29, September 5, September 12, September 19, September 25, October 3, October 10, October 17, October 24, October 31, November 7, November 14, November 21, November 28, December 5, December 12, December 19, December 26
*Fortune* — Change Starch study dates to Harvey; change Harvey study dates to Starch
*Inc.* — Harvey: January, May, August, November
*Oregon Business - AD/LAB* — TBA
*U.S. News & World Report (Blue Chip Demo)* — Starch: May 9, June 6, November 21
*U.S. News & World Report (million market edition)* — Starch: April 18, October 17
*U.S. News & World Report (National Edition)* — Starch: February 21, April 18, May 9, June 6, October 17, November 7, November 21

## Health Care Publications

*Computers in Healthcare* — Readex: June
*Health Care Systems* — Ad-Q: May, November
*Laboratory Management* — Ad-Q: February, June, August, November
*Nursing '83* — Harvey: February, May, August, November

## Canadian Publications

*Canadian Hotel & Restaurant* — Starch: TBA
*Chatelaine/Chatelaine* — Starch: May, September, November
*Engineering & Contract Record* — Starch: March, May
*Flare* — Starch: May
*Health Care* — Starch: February
*Perspectives* — Starch: TBA
*Plant Management & Engineering* — Starch: TBA
*Travel Times-Vacation Canada Issue* —Starch: March
*TV Guide* — Starch: March 19
*Quest* — Starch: TBA

## Specialized Business Publications

*ABA Banking Journal* — Delete Harvey: November
*Administrative Management* — Delete
*Architectural Record* — Delete Mid-August and Mid-October
*Automotive Engineering* — Delete October
*Commercial Car Journal* — Change name to Commercial Carrier Journal
*Datamation* — Add March to Ad-Q Study
*Drilling, the Wellsite Publication* — Change name to Drilling, The Wellsite Publication
*Independent Auto* — Delete
*Instruments and Control Systems* —Change study name to Ad Chart Ad Action
*Insulation Circuits* — Delete
*Iron Age* — Delete January 3, May 2 and September 5
*National Home Center News* — Delete June 18 and October 10
*Mini-Micro Systems* — Delete October; add August
*New Equipment Digest* — Change study name to Hagen/MMS
*Package Printing* — Delete February
*Photonics Spectra* — Delete February and December
*Word Processing Systems* — Delete
*Fortune* — Change Starch study dates to Harvey; change Harvey study dates to Starch

## Health Care Publications

*Modern Healthcare* — Delete June; add July
*Postgraduate Medicine* — Delete January, April, July, October; add February, May, August, November

## Canadian Publications

*Canadian Doctor* — Add April, August and December
*Canadian Living* — Add March, October; Delete November
*Homemaker's Magazine/Madame Au Foyer* — Delete April, September, November; Add January/February

**NEW IN MEDIA** (from 53)

## Knapp adds two annuals

Knapp Communications Corp. is spinning off its magazines, *Architectural Digest* and *Bon Appetit,* into annual specials.

The company's first two specials both scheduled for newsstand sales in fall 1983, are *Architectural Digest: The 1984 Art and Antiques Annual's* and for Bon Appetit: *Holiday Entertaining*.

The 196-page *Architectural Digest* will be a compendium of art and antiques from international galleries, including investment information. The *Bon Appetit* special will concentrate on favorite Christmas and Thanksgiving recipes with an emphasis on holiday entertaining.

## Reaping rewards from switch to mornings

The switch from afternoon to total morning circulation at the *Oakland Tribune* is paying off with increased circulation exceeding the total circulation of the *Tribune* and morning paper it consolidated with, *Eastbay Today* in that market.

The Tribune's marketing director, James Rowley, points to several reasons for the circulation climb.

He says the product has improved now that the publication has only one cycle. And he credits a marketing drive, developed with the aid of Cunningham & Walsh, to informing the public about the consolidation. Television, radio and transit advertisements were used in addition to a direct mail campaign.

Readership loyalty also played a big part. 97% of afternoon subscribers made the switch to the morning issue when the time came.

One of the problems of the switch to morning circulation - loss of newspaper boys to deliver the product - was overcome by showing the carriers the advantages of a morning route - more time for homework and extra-curricular activities. The newspaper was able to retain 70% of its deliverers.

MARCH 1983 • $3.00

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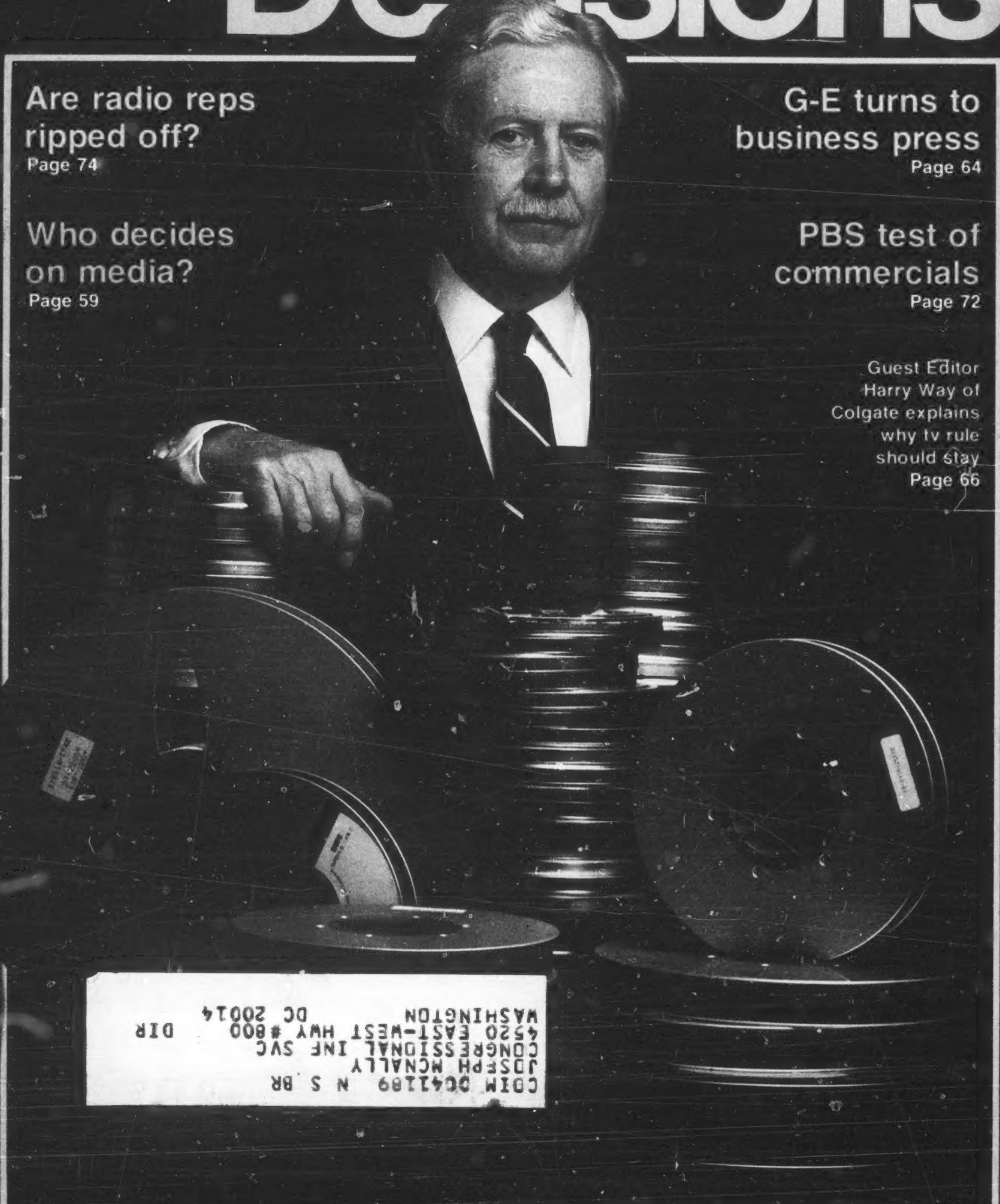
# MARKETING & MEDIA Decisions



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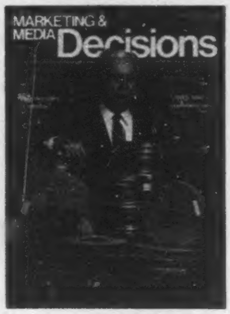

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# FUTURES

## Media leaders would rather read newspapers

What Americans do with their leisure time is the subject of a study sponsored by United Media Enterprises, and it finds family companionship is the most popular use of that time. In addition to watching television and reading newspapers, the study finds that people also manage to have sexual activities during their leisure time.

Reading a newspaper and watching television are the most popular daily leisure-time activities in America.

Television is not a disruptive force in American families and may help bring families together.

The amount of responsibility individuals have for other family members is an accurate predictor of how much leisure time Americans have.

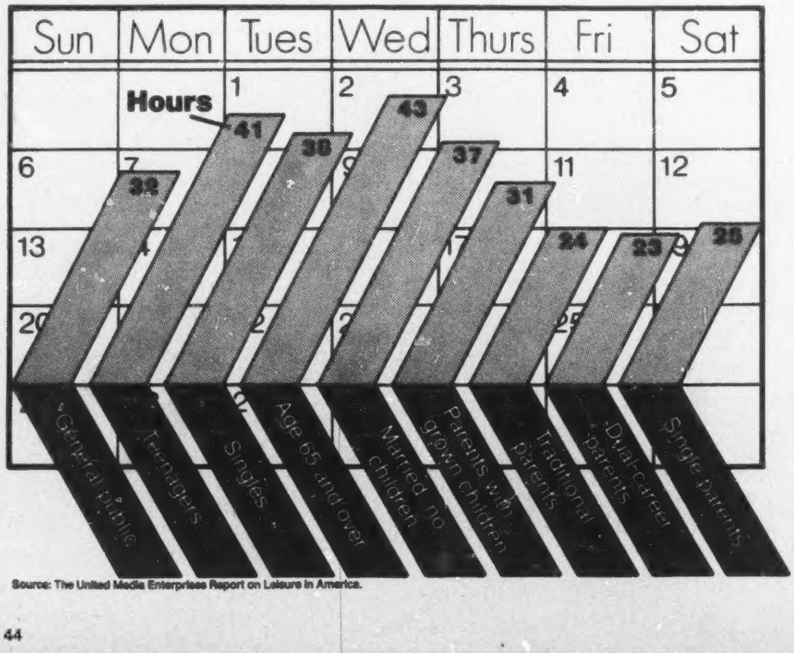
Regardless of the number of leisure hours available, seven out of 10 Americans feel rushed, at least sometimes.

Senior citizens report having 43 leisure hours per week; Teenagers, singles and childless couples report 37 to 41 hours; parents with children who no longer live at home report having 31 hours of free time per week; single parents 25 hours; parents in traditional families with only the husband employed, 24 hours, and dual career parents report 23 leisure hours a week.

But while television viewing comes up as the top leisure time activity for the general populace, media leaders report newspaper reading first and tv viewing second. They also read more magazines than the general populace.

For those who were willing to discuss their sexual activities, 54% said they engage in sexual activities at least once a week. One out of 10 said they engage in such activities daily or almost every day. At the other extreme, two out of 10 said they never engage in sexual activities. Seventeen percent of those interviewed refused to discuss the subject.

**Hours Available for Leisure (per week)**



Source: The United Media Enterprises Report on Leisure in America.

## The middle generation feels frustration

An accelerating dissatisfaction with the economic situation is most on the minds of middle generation Americans, according to a Soundings report from Doyle Dane Bernbach.

The study identifies the middle generation consumer's accelerating dissatisfaction with his economic situation, the feeling of "sliding down the economic scale at a faster rate than during the previous two years."

But it provides opportunities for marketers, the DDB report contends. A greater interest in repairing or redecorating one's present home has emerged. Companies that could benefit from current conditions and feelings include those that:

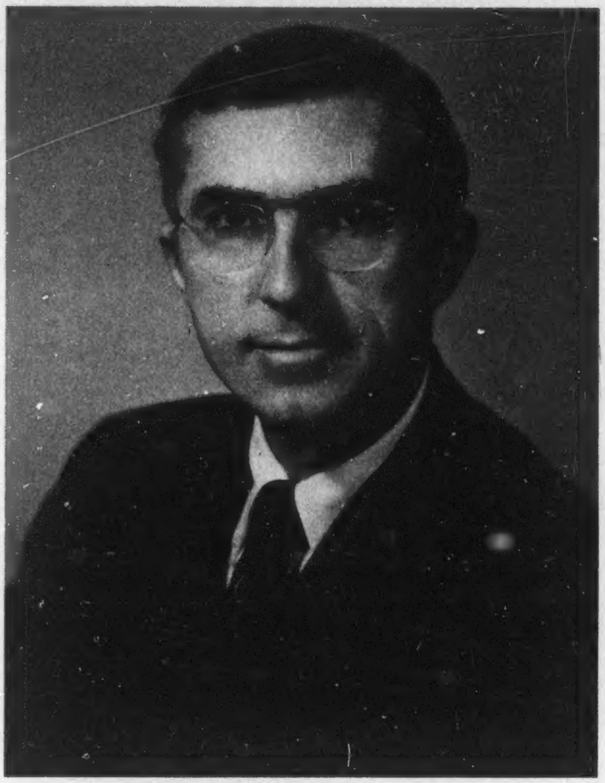
- Contribute to and form a part of the home environment such as home electronics and furnishings.
- Permit integration of the home and outside services such as banking from home, electronic shopping from home, pickup and delivery.

The report also found that the strong home centered family orientation noted in recent years is definitely continuing, as witnessed at the retail level. While sales continued to be sluggish through the fall and early winter, "at home" items such as television, videocassette recorders and games, and select appliances showed some gains.

Also pinpointed is a greater need felt by many for greater social and emotional support, from products,

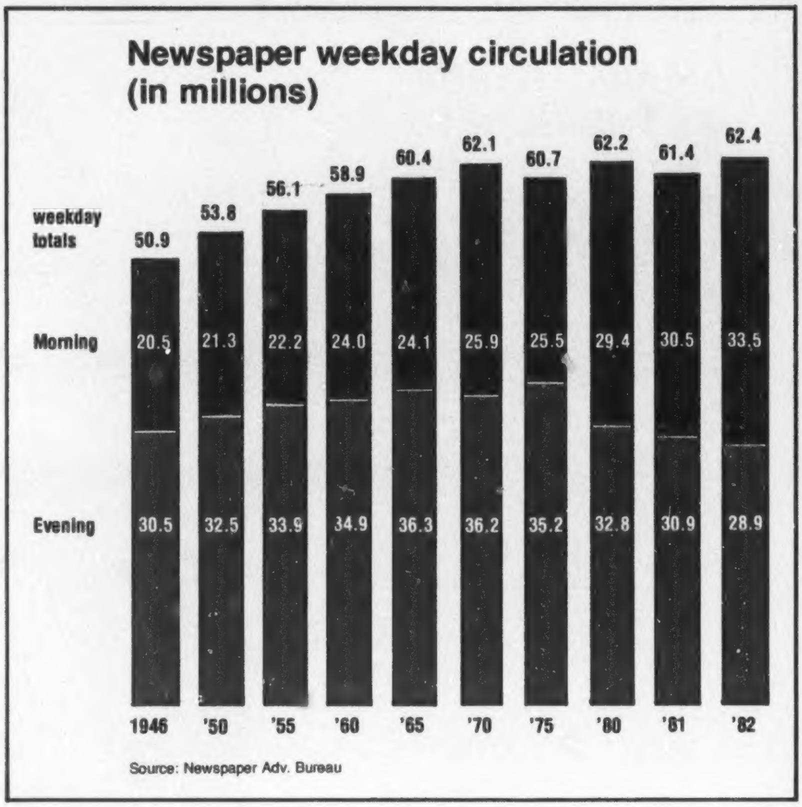
Continued on page 154

**SPECIAL REPORT**
**BY THURMAN PIERCE,**
**VP-U.S. MANAGER,**
**PRINT MEDIA,**
**J. WALTER THOMPSON**



# New values in print

Thurm Pierce is fed up with listening to the doomsayers' comments about consumer magazines and newspapers. As he points out, they have never been healthier — and this during a recession. The real question to ask about print media is: How valuable are they *as advertising media*. Here's his detailed assessment and look-ahead at print.



Source: Newspaper Adv. Bureau

We see more and more headlines on mergers of morning and evening editions of newspapers, changes of evening to morning and of a few outright closings.

We're overwhelmed almost by the flood of new magazines, changes at old ones — and the prophets who forecast their early demise or decline.

This era of change has left some in the busy advertising community with an impression of confusion, gloom and even doom re. print media.

Nothing could be further from the truth.

Neither confusion nor doom should reign. Newspapers are playing out a scenario based on research and reason. And the vitality in magazine publishing is hard to match in any industry.

The doomsayers cite no growth in numbers of newspapers, consolidations, other changes and ask: "Why are big, downtown daily newspapers on the decline?" They also point to the competition offered to certain magazines by new forms of tv.

But the doomsayers are asking *wrong questions*.

The right question is: How do all these changes affect print media values to advertisers? Are either daily newspapers or magazines declining in value as advertising media?

The answer is a big NO. Print, like other media, goes through cycles that lead to growth in value to the advertiser. And we believe it's worthwhile to explain how and why.

### Magazines and the Doomsayers

*The Saturday Evening Post* ceased publishing as a bi-weekly in 1969, *Look* as a bi-weekly in 1971 and *Life* as a weekly in 1972 — a combined one-issue circulation loss of 16 million and — at the time taken as signs of gloom for Time, Inc., the Curtis Publishing Company and many of their magazine competitors.

Doomsayers sighted the closings as harbingers of decline at consumer magazines in general. Gross per-issue ABC audited circulation for all consumer magazines declined 1.7 million in 1971. "Magazines," said the critics, "will never be the same." And, on the whole they never were, but not in the way critics predicted.

Decline was just a sign of transition — a phase preceding new growth. Between 1970 and 1975, new money and management came in.

Prices to the reader were increased to take some of the cost burden off advertisers.

Target marketing was discovered by magazines. From 1975 through 1981 magazines created an explosion of new titles like *People* and *Discover* from Time Inc. and the medium saw its advertising revenue increase a hefty $2 billion. In 1973, the industry resumed its pattern of showing an annual increase in circulation and sustained that pattern year after year, through 1981.

Today the vitality in magazine publishing is hard to match in any medium.

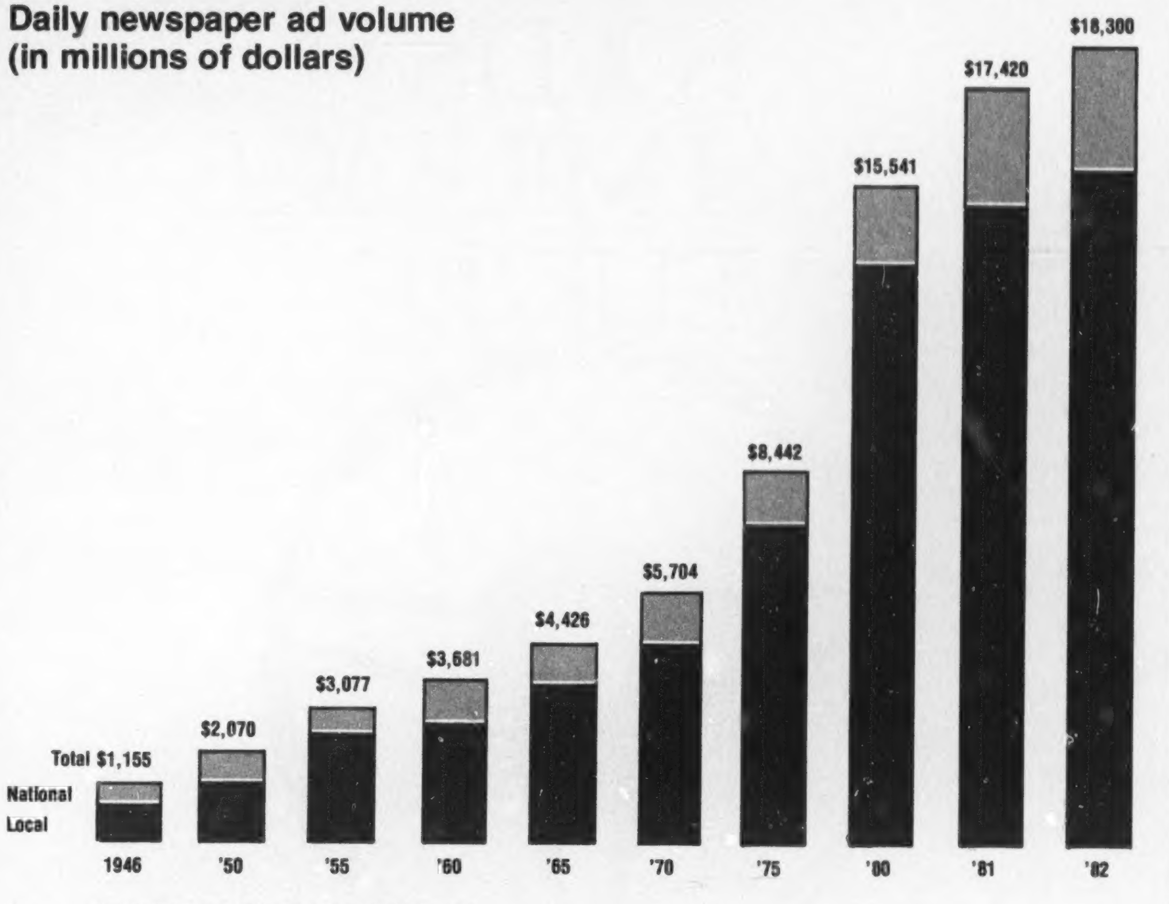
Let's look at the role of "decline" and "growth" in the life cycle of media. Each medium's life cycle follows its own pace but certain patterns emerge.

Growth in cable claims a considerable top of mind position these days in advertising and media circles. Here is one kind of growth — growth in numbers. Cable is in an early stage of life.

Watching it grow and challenge our ingenuity fills us with the same heady excitement we felt in the 50's and 60's as conventional television blossomed. But, its numbers growth does not guarantee cable's *value*. Cable will have to reach another stage of growth to reach its full value as an advertising medium. By marketing the medium to subscribers and advertisers, cable is being led toward new cycles and growth in value.

Magazines, newspapers and conventional television were a long time in the numbers growth stage. Outdoor expanded from displays on the sides of barns to everything anchored to the ground. Some cities had five and even ten daily newspapers. Television set ownership grew and color enhanced its impact. They all had their numbers growth.

In the next cycle numbers do not necessarily stand still but rather are more paced. Advertisers feel safe in committing heavy portions of budgets to the medium. Value is confirmed and the medium may experience an impressive cash flow and growth at the bank.



**Daily newspaper ad volume (in millions of dollars)**

Sources: Newspaper Advert. Bureau; Decisions estimates.

Then, affluence takes its toll on the medium's concern for its basic advertising, editorial or program values. Inflation may begin to play havoc with operating cost and profit. Advertising rates may get ahead of what the market is willing to pay. Advertisers look around for more effective, efficient media. Reader, viewer and listener life routines and priorities change. A new medium like cable may be born and attract both advertising and readers, viewers, listeners. A further growth in numbers is threatened or actually halted.

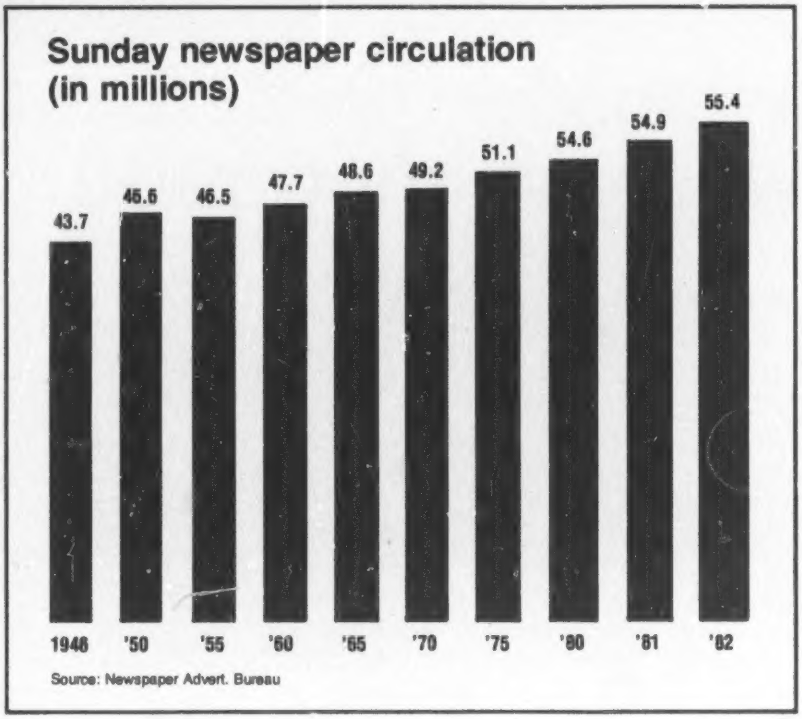
The measure of a medium is not what cycle it is in, but how it responds to it.

The consumer magazine industry's response between 1970 and 1975 to the challenges of leadership, cost inflation and television is a classic case of the industry response cycle and how to manage it. A successful revitalization program — clearly perceived in the advertising community as improved value of magazines as an advertising medium — was achieved in just a few years. Top magazine management committed its own personal attention and other industry resources to the challenge.

At this phase, a phenomenon emerged: *Reader's Digest* and *TV Guide* and their large circulations survived intact the industry's circulation shakedown phase and the rise of segmentation and specialized magazines. However, some of the other mass magazines in the early 1970's moved toward a new marketing strategy. Some cut back their circulations and space cost. They carefully apprised national advertisers of what they were doing. And, advertisers bought their reasoning: we will give the advertiser a lower circulation but the advertiser will get better demographics and better brand prospects, readers who pay full price and really want the publication. By strategy they shifted the spotlight from circulation numbers (an attempt to battle television) to editorial and product value and the more valuable readership attracted by it. Advertisers bought a more valuable readership despite the circulation decline at certain publications.

Circulation for all ABC audited consumer magazines continues to climb annually. However, a medium does not necessarily demean its advertising effectiveness when, by strategy, it allows circulation (and space cost) to find its own (albeit lower) level. Carefully managed decline can add value.

While growth in numbers is desirable when it is accompanied by increased value, it is not essential that



Source: Newspaper Advert. Bureau

print media increase circulation in order to increase their value as carriers of advertising.

A more mature medium reaps its reward. A medium tends to reach its full potential as an advertising medium after its prime numbers growth phase — not during the heady phase of its numbers rise.

At maturity all major media faced a crisis — a real or potential decline in numbers. Then, an alert top management focused on the crisis and responded to it — in time.

When the bi-centennial and an election year hit television in 1976, the magazine medium had a package of attractively priced, attractively edited and reproduced publications. That fine product in 1976 attracted a strong readership base offering mass or segmented markets and brilliant reproduction and color to advertisers turned off by the price of television or turned away because time was not available when they wanted it.

When the opportunity came, magazines were ready.

Perhaps too many years of inflation have blurred the doomsayers' vision. When the numbers stop growing, they see nothing beyond it. What they miss is the added value that evolves from well-managed growth — growth in value, growth into maturity.

Ironically, decline — in this case decline in the value of the dollar — has not blocked either the consumer's or the advertiser's vision where value and maturity are concerned. Maturity is back in style. Newspapers should not worry that they are a mature medium.

### The mature 80's

For some time, surveys have tried to tell us something. Consumers want value. At the bottom of the business cycle high ticket items are moving and middle priced items gather dust on the shelves. Consumers with money prefer one great, well-made outfit to four, lower-priced ones — maturity in the marketplace. It is these mature consumers you worry about. And, mature consumers are likely to be newspaper readers.

Advertisers also are telling us something: sell value; deliver more value for my advertising dollar; create advertising for the mature discriminating consumer and place it in media accordingly.

The deeper concern for value bodes well for mature media. Newspapers and magazines are in mature stages of growth — like mature consumers.

### Newspapers and the life cycle

In that context of how media mature and grow through challenge and change, you can better judge recent headlines on daily newspapers that are paring down, redesigning, throwing out old editions here — moving the time of day of distribution there — combining evening and morning into all day — choosing one editorial staff rather than separate staffs for their morning and evening editions — shaking down and shaping up — adding strength and value to the medium.

From 1978 to 1981, the newspaper industry reported 184 significant changes that can be analyzed for their effect on the medium. There were approximately 53 single edition evening papers that gave up publishing in the evening and became morning papers via "conversions"; 31 mergers into one paper mostly of a morning and an evening paper under common ownership; 14 moves from daily to weekly edition; and 26 outright closings. To that add the appearance of 60 new dailies.

In total, 131 of the changes involved evening newspapers.

Doomsayers see no numbers growth in circulation relative to the population for the medium in recent years. In addition, they hear of the many changes and ask: "Why are daily newspapers on the decline?"

Obviously they ask the wrong question. The right question is: "Are daily newspapers declining in value as an advertising medium?"

In the 1950's daily newspapers moved toward group ownership — an evolution in itself that brought enlightened management and exceptional financial stability to nearly all dailies. That strength served the medium well in the 1970's when several challenges hit at once.

### Challenge from inflation

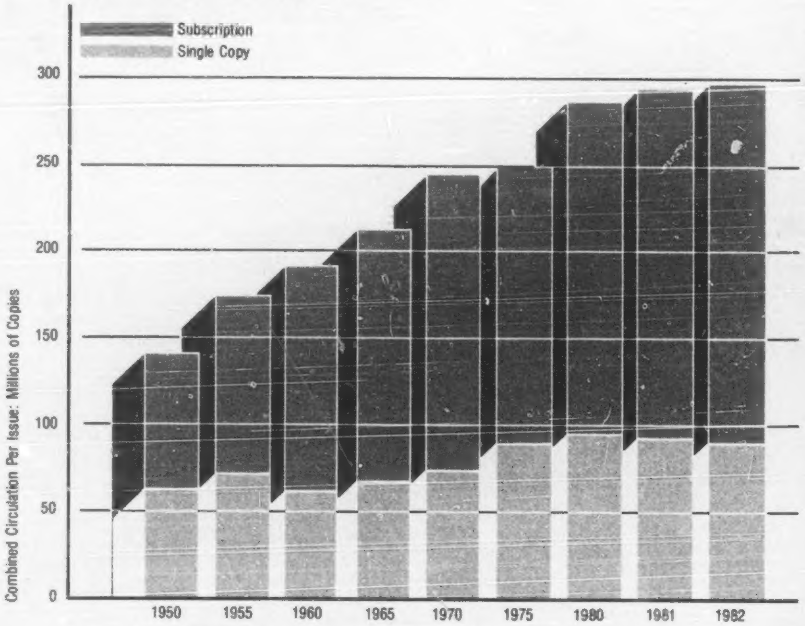
In the middle of the 1970's rising operating costs, particularly the soaring price of newsprint, threatened the industry's financial stability.

The industry responded with a heavy investment of time and money to develop and install new technology. If you wonder why it can take time for daily newspapers to respond to challenge, bear in mind that more is involved than just calling a staff meeting. There are 430,000 employees working at facilities in large and small plants located all over the country.

The industry's successful response to inflation is an achievement of epic proportions. In 1983, newspapers have in place an efficient technological base that is not only advanced but moving toward even greater efficiency from technology just off the drawing boards. That turnaround reflects the strength of more than 1700 daily newspapers and their proven capability to rally a mammoth effort of management time, money and guts. That strength and capability directs and supports the strategy behind the current changes we see at newspapers.

But back to the scenario in the mid-70's when the full impact of inflation hit. Editorial staffs and press rooms were equipped with advanced technology. One result was greater operating efficiency. Another was improved reproduction, laying the groundwork for more product improvement to come.

**Magazine circulations are rising in spite of falloff in newstand sales**



Source: ABC

### Challenge from the reader

Inflation, unfortunately, was not the only challenge. In 1975, as newspapers responded to rising cost, the combined circulation of all daily papers fell below 61,000,000, the lowest since 1965. The long-term trend in the percent of U.S. adults reading newspapers was declining.

The solution would lie in two closely related areas: creative editorial development and creative marketing of the new product to the reader. A few prescient publishers already had made the move into these areas. But in 1976, most had not. With readers turning away, controllers loosened the purse strings. Resources were committed for editorial facelifting and upgrading and for market research.

Facing several challenges at once, newspapers in 1976 began investing again — this time six million dollars in research on readers. Guided by the research, the industry went into a period of self reappraisal. Publishers beefed-up editorial staffs. Products were editorially and graphically re-created to be relevant and more responsive to economic and social change.

The improved editorial product, combined with better reproduction, added value for both the reader and the advertiser. But editorial upgrading alone was not enough to turn the tide of waning readership. Research on readers in the mid-1970's not only guided editors. It also carried a message that was not missed by savvy publishers, general managers and circulation managers wondering what more they could do — all the better if they could cut cost along the way.

While most were pondering, a few brave publishers — frequently at evening papers — made their moves to test new ideas in the marketplace. All other evening newspapers watched and carefully checked the effect of those early changes on circulation and advertising. They were pleasantly surprised.

At about the time the research was on its way to publishers in 1976, The Modesto *Bee* and The Fresno *Bee* converted from evening to morning. By mid-1978, circulation had increased 18% and 12% respectively. Then, in 1978, The Sacramento *Bee* converted from evening to morning, invading the turf of its morning competitor. Two years later The Sacramento *Bee*'s circulation was up 25,000 or 13%. Its circulation today is 21% higher than before the conversion.

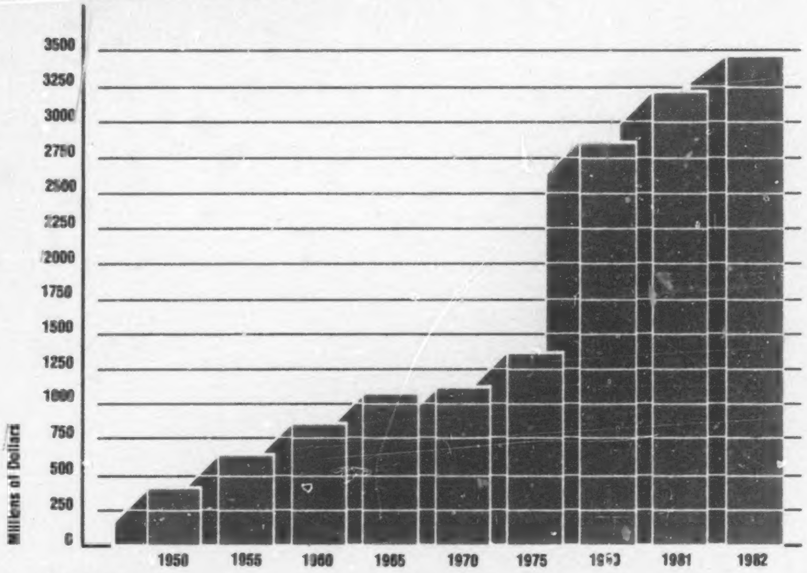
News like that soon gets around.

It is not easy to put yourself in another fellow's shoes and say "here's what happened" to cause so many changes at evening newspapers. The industry is invited to give its own account. Each evening newspaper making a change no doubt had some reasons that were unique to itself and its market. Research gave different directions for different markets. Some surveys told publishers of evening papers not to convert — that readers in the market have a definite preference for an evening paper. A few even moved the other way and converted from morning to evening. But most moved from evening to morning or all day.

Bear in mind that any general change in the industry will appear to affect evening more than morning papers, because three out of four dailies are evening papers (1,322 evening, 378 morning and 30 all day papers).

The following is a whole menu of factors and reasons behind most of the headlines we see on evening papers. The question was: editorial aside, what else can we do that will attract more people to newspapers and make newspaper reading more valuable and satisfying?

**Advertising revenue continues to climb in consumer magazines**



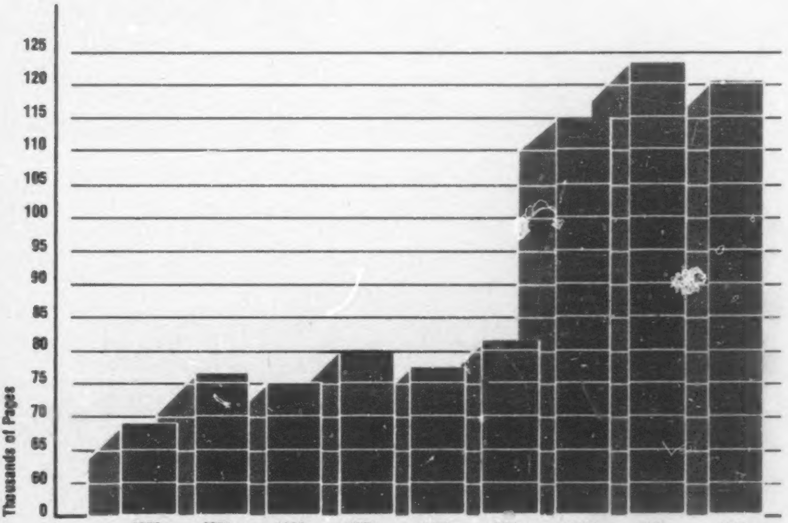
Source: MPA.

## Research and reason

Seeing some success in gaining readership from moves at a few evening papers, publishers at others in the late 70's went back to the ANPA research on readers and reflected: morning editions are frequently the strongest in competitive markets. That is strange. Why, then, are so many dailies evening papers? Some evening editions, they recalled, had been designed with the pre-World War II non-working housewife in mind. Had something changed? You bet!

Where there is both a morning and evening paper in the same market — a survey in one market hinted — readers get more satisfaction from the morning paper. Most major news breaks occur late in the day giving morning papers an advantage. The mid-70's research showed that reader life schedules vary by market and in *some* markets morning papers better fit the bill.

**Ad pages in consumer magazines dropped slightly in 1982**



Source: MPA

More than half of married women work. A market with a heavy white collar population may get up in the morning and come home at night on a schedule favoring morning newspaper reading combined with television viewing in the evening, having already seen the newspaper. Another market with more blue collar workers getting up earlier and returning earlier may favor the evening paper. The pattern held true in many but by no means in all markets.

There are some operating economies whether you convert a single edition evening paper to morning or merge evening into a morning under common ownership. The high cost of gasoline favors morning editions which in many areas can be put in the mail before 6 a.m. and delivered the same day.

If the company owns both the morning and the evening edition, cost savings from a merger to morning or all day are obvious where the change is from two to one delivery a day and particularly where two editorial staffs are combined into one. Savings from merger can be invested in the surviving edition to further upgrade the product — another increase in value for readers and advertisers and an opportunity to attract new readers.

It is surprising that there have not been more conversions and mergers.

## Circulation and readership

What does conversion and merger do to readership?

Among the 46 single issue evening papers that converted to morning from 1978 through 1981, there were 29 papers with a circulation of over 10,000. Two out of three of the 29 papers show an increase in circulation since the conversion. Five show an increase of over 20%. For all 46 conversions, the average circulation increase was 10% — a gain despite the fact that the 20 conversions in 1981 had not had enough time to attract their full circulation potential.

The six mergers in 1979 have had time to show results. Bear in mind that the benchmark estimate for duplication for a morning and evening combination in a market is 16% to 22%. After the two papers merge into one, if the one paper equals the circulation of the two or even shows a circulation decrease of less than 16%, you can assume the merged paper has *gained* in readership.

For example, of the six 1979 mergers, three lost or gained between −3% and +5%. Two lost 16% and another gained 20%. Conservatively then, we can say four mergers gained in readership and two broke even. The nine mergers in 1980 show seven readership gains and two just holding their prior readership.

Fortunately circulation gains result in some cases. But, even if circulation did not increase, a move via merger to morning or all-day could increase readers per copy since the one remaining paper is available for reading longer during the day. Users of syndicated newspaper reader research, just becoming available, can logically expect more readers of newspapers per copy now than was seen in the 1970's and 1960's, due to product improvement and due to conversions and mergers favoring more morning newspapers.

### For the advertiser

How does the advertiser fare in a move from evening to morning? We can surmise that early movers to morning demonstrated success in holding advertisers particularly in non-competitive markets where most of these changes are taking place. We can assume that local advertisers watched the conversions and mergers and that research or inquiry by local advertisers satisfied them that a morning product is seen earlier and sells all day.

Perhaps merged papers shared operating savings by giving local advertisers lower space rates. With so many newspapers in on the move, it seems safe to say that generally the local advertisers saw added value. Advertisers may even have encouraged certain publishers to merge or convert because it would add advertising value.

While most have made the move from a strong marketing and financial position, a few of the evening newspapers converting to morning or all day in competitive markets may have long term survival as a reason. The forces in its favor are strong for the advertiser, the reader and the publisher.

There is plenty of opportunity for conversions in the future among the more than 1300 evening papers. Mergers can occur in approximately 150 places. There are 100 cities where morning and evening editions are under the same ownership, 28 cities with directly competing papers and 22 cities with competing newspapers working under a joint operating agreement.

Changes other than conversions and mergers balance out the picture. However, these changes, with one exception, are outside the purview here: changes at evening newspapers. The other changes include the 60 new dailies that came into the business during the four years (1978-1981), of which nearly one half are evening editions. Subtract the 14 dailies that moved to weekly, of which most were evening papers. Finally, there are the newspapers that closed outright.

Outright closings of newspaper operations are the most visible of all changes. The ANPA reported 23 closings 1978-1981. To this add the closings in 1982 at The Philadelphia *Bulletin*, The Cleveland *Press* and The Buffalo *Courier Express*. Of those 26 closings, 15 were evening papers, six were morning, and for five papers no record could be found to give the edition or circulation in source books existing near the time of their demise. Approximately half of the 26 closed newspapers had a circulation of under 10,000. Seven had a circulation of over 100,000.

Mergers and closings can affect reader satisfaction and invite competition. A whole product category and the satisfaction of the consumer can be demeaned when consumers lose the value of being in a position to make a choice. National newspapers have seen and seek to fill the need for choice.

The loss of each voice and light is seen as a tragic event. But, paradoxically, the result of a closing can be that advertisers gain from the consolidation of market readership into fewer newspapers — just as advertisers can gain from a merger. Readers per copy of the remaining circulation can increase.

The Washington *Post* estimates it picked up 85% to 90% of the exclusive readers of the Washington *Star*. This does not include readers who moved to the new competition — The Journal Newspapers, The Washington *Times* and *USA Today*. In general, a similar pattern holds true in Philadelphia. For awhile the surviving paper may experience a loss of efficiency and return on investment due to the strain on the organization to meet the sudden increase in demand. Eventually, however, the survivor returns to optimum operating efficiency. The surviving newspaper is then in a position to improve the product and pass savings on to the advertiser.

Closings were obviously not a part of the industry scenario. They are a function of the harsh socio-economic realities individual companies face in every industry — a hesitancy to make expensive bold moves at the right historic moment and a failure to exploit opportunities perhaps years ago when the time was right. Once a newspaper has closed, it can be viewed by media observers as a further function of the current phase in the medium's life cycle — a numbers shake-up in the industry — the last phase of it because the number of competitive cities is declining.

Once duplicated readership is removed from the count, it is safe to say that surviving newspapers in the market will pick up virtually all of the exclusive readership of the closed newspaper. Relative to the over 1,700 dailies with strong operations, few weak papers remain.

### No growth without change

Making sense out of the headlines is the objective here. It all leads to added value as an advertising medium.

There is much more to the scenario which the industry is communicating to the advertising community. Newspapers' response to challenge is by no means over.

It is just getting up steam.

The industry scenario is not a panic or crisis act. It does not have to be. It is first a plan to shake out weakness and inefficiency to keep an already strong medium strong. And, it is a plan to grow in value to readers and advertisers — because only through growing in value can a mature medium compete and remain strong. Growth came for many years through inflation. In the 80's real growth will come through change. Expect it and welcome it. ■

## BRAND REPORT 85:

# Liquor

**In 1982 liquor advertisers increased budgets about 12%, but sales were off 7%. How big a bath the industry would have taken, if the leaders hadn't poured on more ad dollars, nobody knows. Imports were not as badly hit as domestics. Bacardi, Jack Daniels, Seagrams VO did better than others.**

If there was any question about liquor being a recession proof industry, the dispute was settled conclusively in 1982.

Industry newsletters and annual reports both attest to the poor year distilled spirits had. The decline registered across the board except for Irish whiskey, which constitutes a miniscule percentage of industry sales.

But while shipments of distilled spirits were declining, advertising budgets went on expanding. Media measured by Leading National Advertisers and the Publishers Information Bureau show an eight percent increase in 1981 over 1980. And first half figures for 1982 show a 12% increase over first half 1981. Obviously, liquor marketers aren't sitting on their hands waiting for the economic turnaround. In fact, many of them funded their budget increases with price hikes on product last year.

Most liquor marketers attribute the slowdown in sales and shipments to inventory reductions made by retailers and wholesalers in response to record-high interest rates.

The industry newsletter IMPACT notes that, "On the whole, total shipments of domestically produced distilled spirits were down 7.4% in the first nine months of 1982, to 213 million gallons and 69.6% of the total market. Total imports declined less, but still

BEST AVAILABLE COPY

## Liquor Sales Leaders in Cases — Top 20 1981

| Brand | 1981 | 1980 | % change |
|---|---|---|---|
| Barcardi | $7,750,000 | $7,600,000 | +2% |
| Smirnoff | 6,000,000 | 6,100,000 | −1.5% |
| Seven Crown | 5,765,000 | 5,800,000 | −2.2% |
| VO | 3,675,000 | 3,800,000 | −3.6% |
| Canadian Club | 3,450,000 | 3,600,000 | −3.8% |
| Jack Daniels | 3,250,000 | 2,800,000 | +16.5% |
| Jim Beam | 3,075,000 | 2,950,000 | +4% |
| Canadian Mist | 2,850,000 | 2,650,000 | +7.8% |
| Popov | 2,755,000 | 3,000,000 | −7.6% |
| Seagram's gin | 2,700,000 | 2,500,000 | +8% |
| Gordon's gin | 2,550,000 | 2,600,000 | −2.3% |
| Dewar's | 2,400,000 | 2,350,000 | +2.2% |
| Windsor | 2,400,000 | 2,400,000 | — |
| J&B | 2,175,000 | 2,325,000 | −6.5% |
| Gilby's gin | 2,100,000 | 2,100,000 | — |
| Gordon's vodka | 1,900,000 | 1,850,000 | +2.6% |
| Black Velvet | 1,900,000 | 1,875,000 | +1.8% |
| Cutty Sark | 1,775,000 | 1,725,000 | +2.4% |
| Christian Bros. | 1,700,000 | 1,625,000 | +5% |

significantly with a 5.6% loss to 93 million gallons and a 30.4% share of the total distilled spirits market."

Moreover, IMPACT is not optimistic about a trend reversal in 1983: "It's difficult to summon optimism for the distilled spirits market in light of its dismal performance record for the first nine months of 1982.

"The best hope for the market in the future lies with the possibility of an economic recovery, which would at least allow marketers a fighting chance in the acknowledged slow growth distilled spirits market."

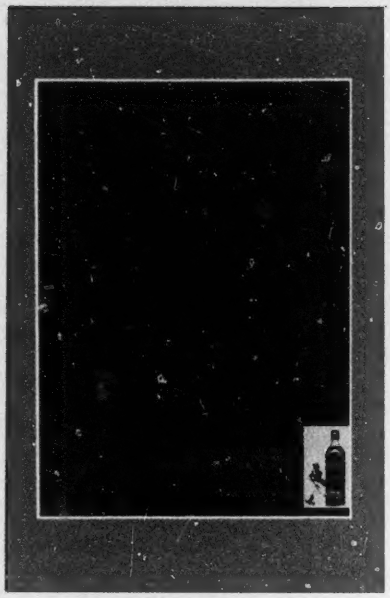
One well-placed industry executive sees a number of factors in addition to a weak economy impinging on the spirits marketplace. Currently, he says the industry faces more problems than it has in his 11 years in the business.

"Recessions in the past have receded before they hit us, but this one has persisted and bit us in the ass," he said. And the situation is compounded by other trends which have abetted a downward spiral of consumption.

Primary among them are: A trend toward the lightening up of consumption—people are drinking less. There is also a preference for lighter taste in distilled spirits. There is considerable pressure on distribution

## 1981 Liquor Expenditures for Leading and Significant Brands

| Brand | Total | Magazines | Supplements | Outdoor | Newspapers |
|---|---|---|---|---|---|
| Bacardi | $ 5,787,300 | $ 3,611,400 | $ 85,000 | $1,790,900 | $ 300,000 |
| Cutty Sark | 5,558,600 | 3,366,000 | 174,200 | 1,569,000 | 449,400 |
| Canadian Mist | 7,835,500 | 4,004,600 | — | 3,026,100 | 804,800 |
| Jack Daniels | 4,502,300 | 3,535,200 | — | 954,800 | 12,300 |
| Jim Beam | 3,440,000 | 2,194,400 | — | 509,300 | 736,300 |
| J&B | 12,560,900 | 9,316,300 | 269,900 | 2,180,600 | 794,100 |
| Smirnoff | 6,835,500 | 4,098,700 | 140,300 | 2,012,300 | 584,200 |
| Canadian Club | 11,864,600 | 7,538,600 | — | 3,808,300 | 517,700 |
| Beefeater Gin | 6,100,600 | 3,797,600 | 194,900 | 719,300 | 1,388,800 |
| Dewar's | 8,435,000 | 5,595,100 | 159,800 | 840,100 | 1,840,000 |
| Seagram's gin | 2,201,900 | 1,311,900 | 11,600 | 843,700 | 34,700 |
| Gordon's gin | 3,285,900 | 2,932,800 | — | 350,600 | 2,500 |
| Crown Royal | 9,266,800 | 8,130,700 | 86,700 | 489,500 | 519,900 |
| Seven Crown | 9,629,400 | 4,634,800 | 1,444,100 | 1,821,300 | 1,729,200 |
| VO | 13,289,980 | 11,138,100 | 85,100 | 1,934,000 | 132,700 |



channels as the number of wholesalers declines through consolidation and buy-outs. There is a similar pattern of consolidation at the retailer level as mom & pop stores are replaced by supermarkets and larger retail outlets. Consumer buying patterns are shifting from the middle price range to either the high or low end.

"All these factors are coming together for the first time," the executive said. "And for the first time, the industry is being faced with the necessity for value marketing—the kind of marketing that emphasizes the perception of value by consumers at the retail level."

While marketers were contending with economic factors and sluggish consumer interest, they were also looking for ways to put more punch into their print advertising. The most favored device in 1981, and to some extent, in 1982, was the sweepstakes contest. In 1981, major spirits advertisers invested $3.6 million in various contests in an effort to generate greater reader involvement in ad copy.

MISTING.
Misting is going for the very best.
It's the mellow, distinctive taste of Canadian Mist.
An Imported Canadian Whisky.

Major investors in 1981's fun and games were Smirnoff vodka and J&B scotch. Smirnoff pumped $974,000 into its sweepstakes, and J&B, $829,000. Obtaining maximum visibility continues to be a dominant consideration for spirits advertisers. Federal regulations on copy content and a limited number of ways to visually call attention to product and brand keep creative in a tight straight jacket.

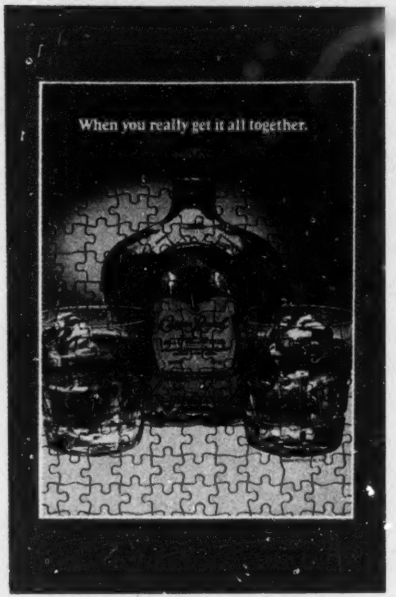
But while the overall trend in spirits sales was down, there were a few winners in the brand share growth contest. Bacardi rum continued its upward performance in 1981 to add to its dominance of the total spirits market. Bacardi's growth was a modest 2%, from 7,600,000 cases to 7,750,000 cases.

The next share growth performance doesn't come until sixth place, a new position for Jack Daniels, which took over leadership in the bourbon category from long time leader, Jim Beam. The Brown-Forman brand showed 16.5% sales growth, rising from 2,800,000 cases to 3,250,000.

In the Scotch category, Dewar's slipped past J&B, which lost 6.5% of its share while Dewars was posting a 2.2% gain. And in vodkas, Smirnoff, an increasingly distant second to Bacardi, took a slight loss, dropping from 6,100,000 to an even 6,000,000 cases.

In the blends category, overall performance continued to diminish, as in 1981 the category share leader, Seagram's Seven Crown suffered share slippage. Blends were shown to be down 8.5% by IMPACT.

Canadian spirits nearly held their own through the first nine months of 1982. Seagram's VO continued to hold the top spot in the category despite a 3.6% sales decline in 1981. Canadian Club, in second place in the category lost 3.8% in sales, while Canadian Mist was picking up a bit

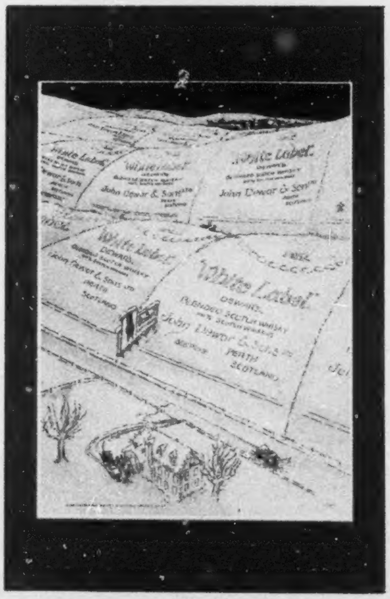

When you really get it all together.

more than CC lost, Windsor Supreme is holding its own.

Among vodkas, despite share loss, Smirnoff is well ahead of its nearest rival, Popov, a price brand, which also lost share in 1981. The category itself shrank slightly, but in the first nine months of last year still increased its share of the U.S. distilled spirits market.

## Blends

Once the darling of whiskies with the U.S. public, blends have been losing popularity since 1960, when they commanded 31% of the market. Down 19% by 1970, they have slipped


White Label
John Dewar & Sons
White Label
John Dewar & Sons
White Label
DEWARS
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John Dewar & Sons Ltd
PERTH
SCOTLAND
White Label
DEWARS
BLENDED SCOTCH WHISKY
John Dewar & Sons Ltd
PERTH
SCOTLAND

further still, to hold only 7.6% of the market as of September last year.

Seagram's Seven Crown remained the best selling blend in 1981 and held the third spot in sales, a position that looked safely unchallenged in 1982. Some erosion was noted in 1981 as sales slipped 2.2%, to 5,675,000 cases.

Leigh Schmalz, account executive at Warwick, Welsh and Miller, indicated that Seagrams has been aware of share erosion, and is making an effort to add younger drinkers to the brand's franchise, which now clusters toward an older demographic.

"We are starting to target to the under 34 consumer," Schmalz said, "and are buying magazines that relate best to that group and their life style. We're most interested in entry level because those consumers are more willing to experiment and haven't yet become rigidly brand loyal."

Creative currently focuses on mixability, particularly 7 & 7 and Seven and Coke, in such settings as video games and beach parties, to reestablish the franchise with younger users.

Magazines are used for this thrust with four color pages, as well as a two color, one third page that features promotional items, tee shirts, glass mugs and mirrors. Schmalz said that the fractionals were developing very strong awareness but could be doing better in terms of pulling orders for the premium items. Seagram's is also investing heavily in protection of its strong markets for Seven Crown, he said, with outdoor and supplements. College markets are also playing a strong role in rebuilding the franchise with a younger demographic, with the use of college newspapers, kiosks and larger outdoor postings.

## Bourbon

Not the favorite it once was but despite its loss of popularity along with other brown goods to the white goods category, bourbon is still the strongest segment among whiskey types. While shipments for the first nine months of 1982 were down 10%, bourbon still commanded 14.5% of the U.S. spirits market. That is just half its 1960 share.

Although bourbons have been languishing, one brand emblazoned itself in the popular mythology as a name to conjur with: Jack Daniels. The growth of this brand has been the phenomenon of the spirits industry for the past five years. In 1981, it rose to sixth place with case sales of 3,250,000. This represents a 16% increase over the previous year, the largest percentage and case sales gain for the industry.

In fact, Jack Daniels whizzed past the longtime share leader, Jim Beam, which itself posted a substantial 4% gain over the previous year.

But for other bourbons, 1981 was a most dismal year, as they accrued substantial share losses. Even the venerable Old Grandad took a 6% loss to wind up in 36th slot with case sales under a million. The exception, well down on the list, was Wild Turkey, a specialty premium brand, which posted a slight gain.

Regionals, such as Weller, also show signs of strength.

## Jack Daniels

This B-F brand, which has its own separate listing in the advertising Red Book, has developed a mystique that is the envy of the spirits industry. And it may well rival Bacardi in its record for building image and sales with a modest media budget as it scavenges customers from other brands and continues to build a chic reputation among young imbibers.

> **"Jack Daniels has developed a mystique that is the envy of the liquor industry with black-and-white ads"**

Creatively, the Jack Daniels campaign is a renegade proposition, eschewing full pages and color. JD makes the best case for fractionals of any brand currently using magazines. And if that isn't outrageous enough, the ads contain long copy and small graphics.

The Jack Daniels media expenditure in 1982 probably runs just over $5 million. At midyear, LNA's measured spending totalled $2,359,800. When the heavy-up for fourth quarter is added in, along with as yet untalleyed newspaper outlays, the Jack Daniels media total should come close to $5.5 million.

What Jack Daniels gets for its money is a campaign that emphasizes the lore of the distillery, the character of the people who manufacture it, the quality of the charcoal through which the sour mash is filtered. If a consumer relied on the advertising to discover the shape and configuration of the bottle label, they would remain a mystery. Package registration is no part of the campaign. The emphasis is on production process and the people involved in that process.

William Hanlon, advertising director at Jack Daniels, said the campaign is "Going on pretty much as it has for the past 25 or so years. Nothing has changed." He also said no new creative is in the offing, although some new variations are being worked on the old lore of the distillery theme.

Media continues to center around black and white fractionals in magazines and supps. Budget in '83 is up slightly, Hanlon said, to keep pace with inflation.

Sales are expected to continue their upward trend, but at a slightly lower rate, mostly due to the state of the economy, he said. "We're not growing as fast as before, but it's nothing that we're worried about."

## Jim Beam

There are worse things in the world than being relegated to the number two position in an industry after years of brand share dominance. For instance, being reduced to number three.

But in its second place performance in the bourbon category last year, Jim Beam has nothing to apologize for. The brand has continued a steady performance of growth over the years, which was continued in 1982, after passing the 3 million case sales plateau the year before.

Not the most aggressive spender in the industry, Jim Beam came in with $3,440,000 in 1981, two thirds of it in magazines. Last year the budget increased slightly as the brand launched a new creative campaign with four color pages in magazines, which was

Bacardi coladas.

Icy, creamy, easy.

Mmmm! Banana Colada
Blend ½ ripe banana, 1 oz. cream of coconut, 1½ oz. Bacardi light or dark rum and ½ cup ice cubes. Serve garnished with a banana wedge.

Oooh! Strawberry Colada
Blend 6 whole fresh or frozen strawberries, 1 oz. cream of coconut, 1½ oz. Bacardi light or dark rum and ½ cup ice cubes. Serve garnished with whole berries.

Ahhh! Piña Colada
Blend or shake 2 oz. unsweetened pineapple juice and 1 oz. cream of coconut (or use prepared mix) with 1½ oz. Bacardi light or dark rum and ½ cup ice cubes. Serve garnished with a pineapple spear.

LIGHT-DRY
SILVER LABEL
Ron
BACARDI
Superior

Taste is all it takes to switch to Jim Beam.

JIM BEAM

Yule stir with 7

Seagram's
Seven Crown
Seagram's

also used frequently in its outdoor effort.

Chuck Niebling, account executive on the account at Bozell & Jacobs, Chicago, admitted that for the most part, particularly in media, the campaign was a continuation of past practices. "Nothing unusual was done last year. We continued with our usual list of magazines and worked to get the best possible positions in them."

Newspapers, he said, are used primarily in control states, with fractionals of 270 or 360 lines. Package registration was the creative theme with newspapers for the brand.

Niebling did note that gradually, the brand has been skewing younger in its demographic definition. "We're pretty much sticking with the 25-to-44 age group but skewing a little younger."

Creative for 1983, he said, will probably not change from last year's concept. The 1983-'84 campaign is now being prepared and hasn't progressed to the point where much can be said about it, Niebling advised.

## Canadian

The long term upswing of Canadian whiskies was sandbagged in 1982, but only for economic reasons, the industry hopes. Since 1960, the Canadian segment of the spirits market marched from a 5% share to a high of 11.9% in 1981. That long gradual march upward was halted in 1982, as in the first nine months of the year, the Canadian share of the market slipped four tenths of a percentage point.

IMPACT tracks a 9% decline in Canadian shipments in the first nine months of 1982 as compared with the same period the year before. Gallons shipped fell from 39 to 35 million.

Seagram's VO continues to be the top seller in this category, but share slippage is evident. *Business Week's* figures show the brand down 3.6% in 1981. Hiram Walker's Canadian Club wasn't able to benefit from this loss, itself dropping 3.8%.

The major gainer in the category in 1981, and apparently last year too, was Brown Forman's Canadian Mist, which has been a hot brand for about five years. Canadian Mist came in eighth in sales in '81, with 3,850,000 cases sold. Jack Kennard, vp-national brand director at B-F believes that Canadian Mist may well have passed Canadian Club last year to take the number two spot among Canadians away from Canadian Club.

Kennard said the brand pitches Canadian themes in its four color magazine pages along with the theme, "Canada at its best." As the brand has

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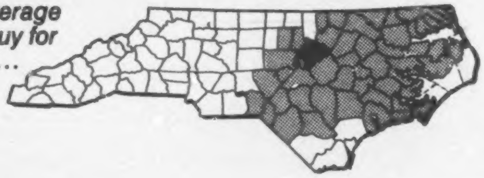

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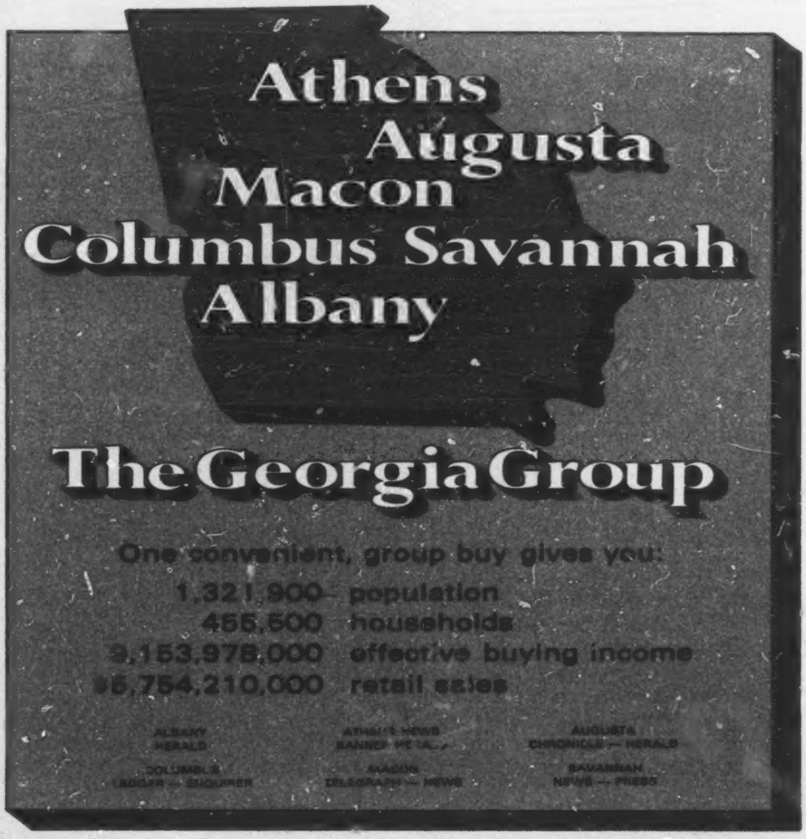

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Macon
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The Georgia Group

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455,500 households
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$5,754,210,000 retail sales

ALBANY HERALD
ATHENS NEWS BANNER HERALD
AUGUSTA CHRONICLE — HERALD
COLUMBUS LEDGER — ENQUIRER
MACON TELEGRAPH — NEWS
SAVANNAH NEWS — PRESS

strengthened its position in the marketplace, Cannard said B-F has "sought quality improvements, going to bleed. It has expanded its magazine list, and sought increasingly good positions."

Outdoor, he said, extends the magazine position with full color quality impressions. "We use outdoor to expand our reach and frequency, and direct it to our most productive markets."

Newspaper is used in markets where outdoor is illegal, or geographic emphasis is needed.

B-F also emphasizes the ethnic market, and has a series of magazine ads designed for the books it uses to reach the black audience, *Ebony, Essence, Dawn, Gentleman's Quarterly* and *Jet*. These ads, rather than focusing on Canada's outdoors, feature attractive black models and the bottle.

> **"Gin has been one of the white goods categories to grow in recent years, but it fell off last year"**

Magazines account for over 60% of the Canadian Mist budget, and Kennard notes that they are used with consistency and schedules that range between one and five insertions a year.

For 1983, Kennard wonders how well premium priced brands will fare as consumers make a greater point of looking for improved price-value relationships in their purchases.

## Gin

Gin hasn't been the greatest beneficiary in the swing to white goods over the past decade but has experienced some good steady growth in these years. But gin also fell off its plateau last year, with shipments down about 9% in the first nine months. Its percentage share of the spirits market has held steady though, at between nine and 10%.

The surprise of the industry has been the strong performance of Seagram's gin, which in 1981, edged out Gordon's for the top sales spot. Seagram's posted an 8% increase while Gordon's was dropping 2.3%, a fact that did not

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60 Broad St.
120 Broadway

**CHICAGO**
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845 N. Michigan
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Book Market (6 E. Cedar)
Kroch & Brentano's
  16 S. LaSalle;
  516 and 845 N. Michigan

**LOS ANGELES**
Pico; 1404 S. Robertson
Westwood Books; 1021 Broxton
Crown Books; 7916 Sunset
Rexall Sq. Drugs; 8490 Beverly
Universal News; Hollywood
Staf-Jen; Hollywood
Books Etc.; Santa Monica
Boulevard News; 1404 S. Robertson

**DETROIT**
Campbell's Books, Bloomfield
Dicken's Den, Southfield

**ALSO:**
Layhill News, Silver Springs, Md
Intl. News; 663 Yonge St., Toronto
Atlantic News, Morris St., Halifax, N.S.
B. Dalton Books, nationwide

go unnoticed among liquor advertisers.

Neither Gordon's nor Seagram's are heavy media spenders. In 1981, Seagram's spent $3,285,000, according to LNA and Media Records, while Gordon's was investing $2,201,900. Both are outspent by Beefeater and Gilby's.

Seagram's continues to use what the agency, Warwick, calls the "logo campaign." This features a large chrome G and N, with the Seagram's bottle standing in as the "I", to form the word GIN. Various executions are used in magazines and outdoor.

The brand is positioned against a dual audience, with an increasing emphasis on women. Agency executives indicate that Seagrams emerged from 1982 still holding the top sales spot.

Gordon's campaign puts the emphasis on the clarity of the product, showing a Gordon's bottle from the back, with the back of the label clearly visible through the liquid contents.

## Rum

As rum goes, so goes Bacardi. In the past decade, it has gone straight up. But in 1982, the category leveled off, after years of consistent growth since 1960. Shipments were off 4.1%, one of the most minimal declines in the industry last year.

Bacardi rode that wave of growth through the '70's to become the top selling spirit by 1980. In 1981, the brand boosted its sales in cases by 2% to 7,750,000. And Bacardi's grip on the rum market is so solid that not another rum brand shows in the top 20 spirits in case sales. Efforts by contenders sometimes develop some pockets of regional strength, but none have been able to challenge Bacardi.

With its modest ad budgets, none of the competitiors can claim that Bacardi bought the top spot with excessive advertising outlays. Bacardi's 1981 budget, calculated from LNA and Media Records, came to $5,987,400, less than half of what J&B and VO each spent for declining shares. Figures for the first half of '82 show heavier expenditures, about an 18% increase. A heavy fourth quarter would put Bacardi's media outlays for the year at over $7 million.

The Bacardi performance was built with mixability, a theme carried in most of its magazine and Sunday supp advertising. That theme continues to dominate creative for Bacardi, according to Toby Dunn, management supervisor on Bacardi at Rumrill Hoyt, agency for the brand.

Impress someone special.
Give Gold Reserve rum.
BACARDI
BACARDI

Spending was up in '82, he confirmed, and in measured media tops $6 million. Brand growth continues at about 2% a year, he said, which assures Bacardi the continued number one sales spot.

An innovation for Bacardi was the introduction of Gold Reserve, a premium rum marketed to younger upscale men. Media used for this brand is concentrated at gift giving times, and

CANADA AT ITS BEST
Share some for the holidays

focuses in national magazines with a male orientation, and supplements where heavy-ups are required.

## Scotch

Over the years, Scotch has maintained its popularity, peaking in 1975 with 13% of the U.S. spirits market. But since then it has slipped back to about where it was 22 years ago at just over 9% of consumption. In the first nine months of 1982, shipments were down some 9% from the same period in 1981, about four million gallons.

What the situation adds up to is a fiercely competitive market for the four top brands that dominate the category, Dewar's, J&B, Cutty Sark, and Johnny Walker Red. Of the four, only J&B showed share loss in 1981, according to *Business Week's* survey of the industry. J&B slipped 6.5% to lose category leadership to Dewar's.

Positioning on these four brands demonstrates the difficulty in carving out a clearly discernable image for the intangibles of a label on a liquor bottle.

J&B, since leaving the E.T. Howard agency for Backer & Spielvogel, has used a soft focus, extremely subtle campaign linking the brand with calm, peaceful outdoor scenes with the copy line, "It whispers." Some industry executives are puzzled by point of the campaign — and if it mystifies industry members, there must be a few consumers who fail to fathom its intent.

The Johnny Walker Red campaign, playing upon consumer associations with the color red, also links the brand with the ineffable qualities of moments of relaxation, in which the association between relaxing experiences and the brand is readily evident.

Dewar's has shifted creative emphasis, dropping its previous authenticity pitch tied in with a Scotsman in full regalia, for a motif of craftsmanship. The brand also sharply trimmed its use of the profiles series, which highlighted the careers of successful individuals who drink Dewar's.

Meanwhile in the past two years, Cutty Sark has made a total commitment to a campaign featuring maverick adventurers who endorse Cutty. Among them was John Z. DeLorean, whose venture into sports car production came to an ignominous close as he was arrested last fall on charges of involvement in a sizeable cocaine smuggling scheme.

While in 1981 J&B was the leading Scotch spender, with $12.6 million, for the first half of 1982, Cutty Sark was leading the way. Expenditures in magazines, supps and outdoor totaled $4.4 million as compared with J&B's $4.2 million, which was down about $150,000 from the previous year's six month total. Dewar's spent more heavily in first half '82, with $3.4 million, as compared with $2.8 million, from $2.6 million in first half 1981 and budget continues to rise.

The battle this year appears to remain between J&B and Dewar's for top spot among Scotches, with Cutty and Johnny Walker still working to crack the two million case level.

*Fred Gardner*

---

MORE THAN 62% OF DIARIO LAS AMERICAS HOUSEHOLDS CONSUME ALCOHOLIC BEVERAGES.

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Founded July 4, 1953

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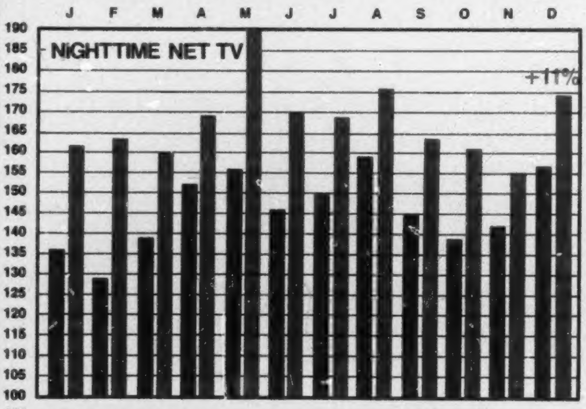
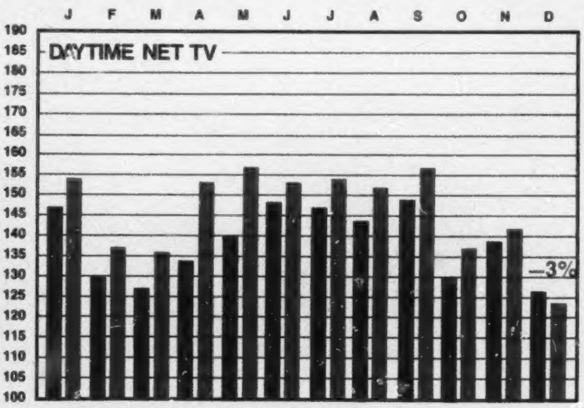
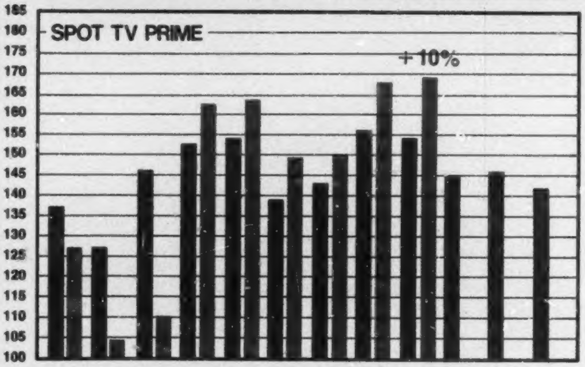
Read all about it. Ask for Diario Las Américas' new Reader Profile.

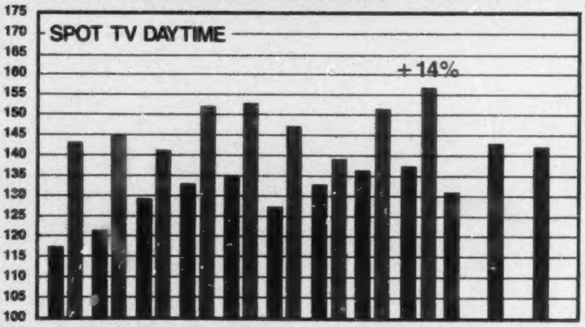
# MEDIA COST INDEX

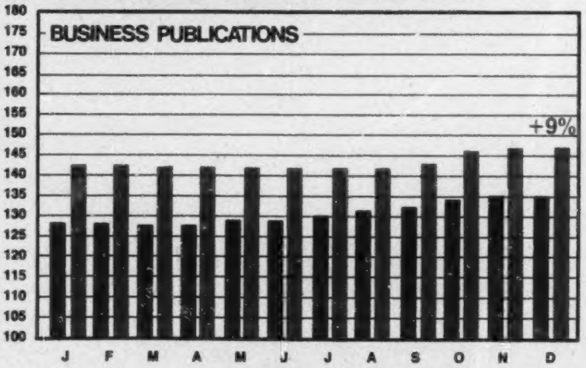
Black bars index for 1981; red bars 1982; base year 1977











**Consumer magazines** closed out 1982 at index 160 for December — 8% over average rates in December 1980 — and 60% over the base year 1977. This is about the level they plateaued at in the middle of the year. Forecast is for another price hike of 9% in unit costs this year (1983).

**National supps** showed a rate rise two percentage points over the magazines — up 10% for December 1982 compared to the same month in the previous year. And this trend continues through the first two months of 1983.

**Network radio** continues to flaunt its mounting popularity with national advertisers. It hit index 276 in December 1982 — up 176% over a relative low point in the base year for our charts, 1977. And this was 18% above December 1981. Radio unit prices exceeded expectations of Decisions' panel of cost forecasters in 1982. We predicted a rate rise of 8.5% over 1981, and prices ran well ahead of that last year. Our prediction for 1983 (see special issue on Media Costs last fall) was for an 8.7% unit cost rise. The way radio has been booming, that looks now as well below the actual cost spiral that is occuring in that medium.

**The Media Cost Index** reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday-Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications. **Outdoor Posters** based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

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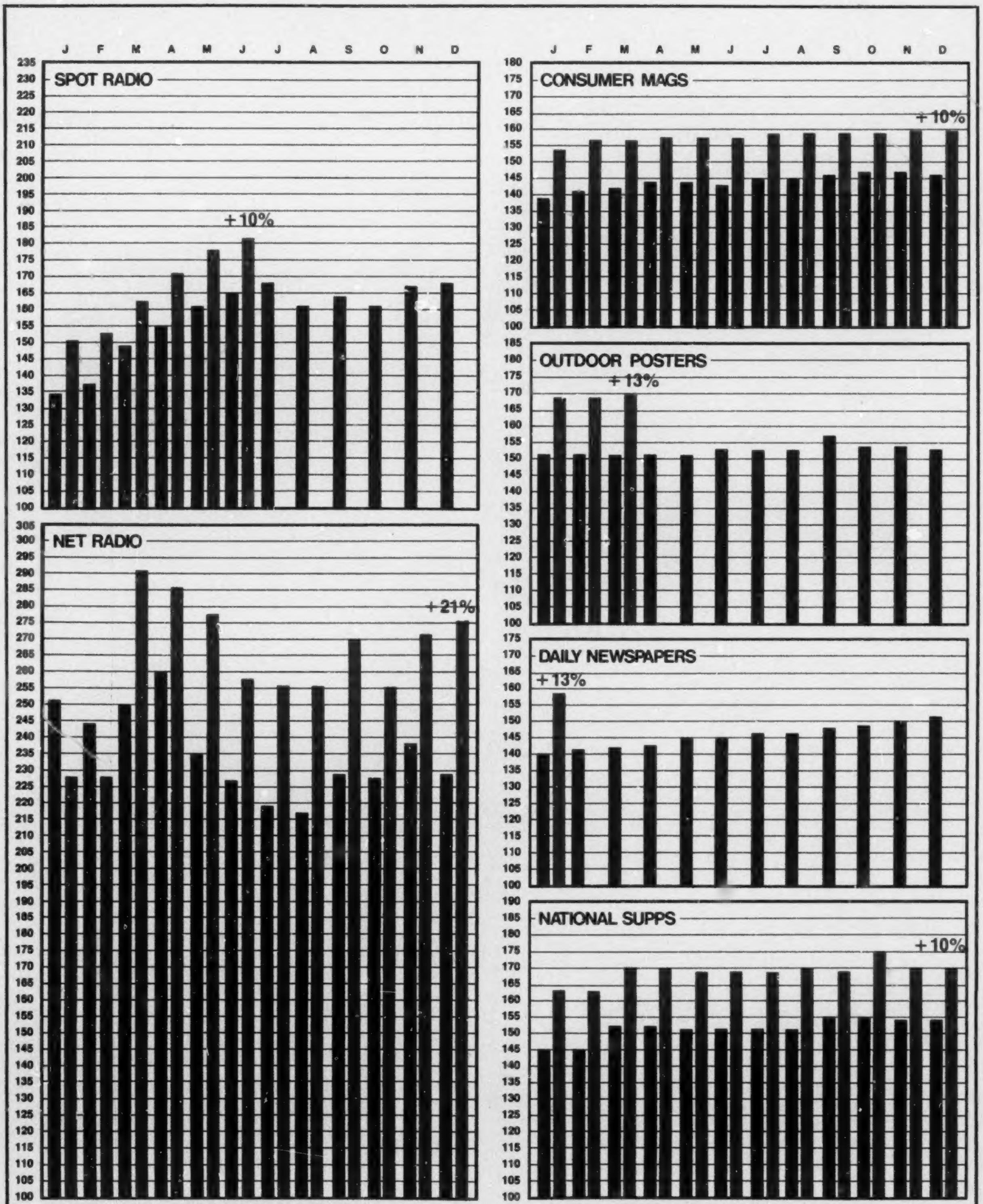
# MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977



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# MARKETING & MEDIA Decisions

APRIL 1983 • $3.00

C2950-3 4/12/83

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CONGRESSIONAL INF SVC DIR
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MARKETING &
MEDIA

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**MARKETING & MEDIA DECISIONS (ISSN0195-4296) APRIL, 1983, Vol. 18, No. 4** **Copyright © 1983.** Decisions Publications Inc. Published 14 times. Executive, editorial, circulation and advertising offices at 342 Madison Ave., New York, N.Y. 10017 (212) 953-1888. **Available** without charge to those personally involved in media decisions at major agencies and advertiser companies. For others, subcription prices are: U.S.A. $40 for 14 issues. Canada $50. Overseas $52 (surface mail). Airmail — add $52. Single copy $3.00. All overseas copies are paid. Second-class alternative B postage paid at Burlington, Vt. **Postmaster:** Send form 3579 to Marketing & Media Decisions, 342 Madison Ave., New York, N.Y. 10017

# FUTURES

## Petry probes the future of television

While Wall Street analysts and other interested observers make merry with speculations on the future of television, the rep group, Petry Television, in conjunction with the Butterfield Communications Group, decided to see what people in the industry expect as the decade unrolls. 200 interviews were conducted with station management broadcast group executives, syndicators, agency media directors and advertisers.

Once again, a decline in network audience share is predicted. The report notes: "Network primetime shares have declined steadily for the past six years, down from 91.1 in 1975 to 85.6 in 1980. Station, agency and advertising managers expect the trend not only to continue but to accelerate. The predicted share decline of about 10 points in the next three years is almost double the rate of decline occurring in the last six. While perhaps overstated, this is obviously a reflection of the industry's belief that the pay cable networks will extend the erosion of primetime network audiences begun by the independents in the late 1970's."

The growth of independent stations is also seen as a source for network audience erosion. "In the future, independents may face tougher competition from additional independents in their market than from affiliates. Not surprisingly, among affiliates, NBC general managers were more concerned about independents (39% rated them as having a major impact).

As for ranking of the networks, CBS gets a consensus rating as being the most likely to be the top ranked network in 1985. Agency and group executives supported that view strongly.

### NETWORK SHARE PROJECTIONS FOR 1985

| | Expect ABC To Be First | Expect CBS To Be First | Expect NBC To Be First |
|---|---|---|---|
| **All General Managers** | 16% | 78% | 6% |
| **ABC Affiliates** | 47 | 53 | 0 |
| **CBS Affiliates** | 0 | 97 | 3 |
| **NBC Affiliates** | 0 | 77 | 23 |
| **Independents** | 13 | 88 | 0 |
| **Group Executives** | 0 | 100 | 0 |
| **Agency Executives** | 9 | 86 | 9 |

But at the same time, station management is seen as being ready to act opportunistically. Among the trends noted:

- Stations are increasingly inclined to control and capitalize on their own program schedule.
- Local production is seen by many as the key to retaining audiences and controlling costs.
- Stations are actively seeking new time periods to develop and new types of programing to schedule.
- Sixty percent of station managers expect the repeal of the Prime Time Access Rule, and most would retain control of the time rather than accept network programing in the event of a repeal.

While cable growth is expected, its main impact on advertising revenues is expected to come at the expense of the networks. The Petry report states: "Cable is not likely to have a significant effect on local and spot television sales in the forseeable future. Cable system franchises rarely match the coverage areas of most local media. Planning and executing a cable spot buy is extremely difficult, given the uneven coverage of cable, the low viewing level of commercial cable channels and the limited research data available.

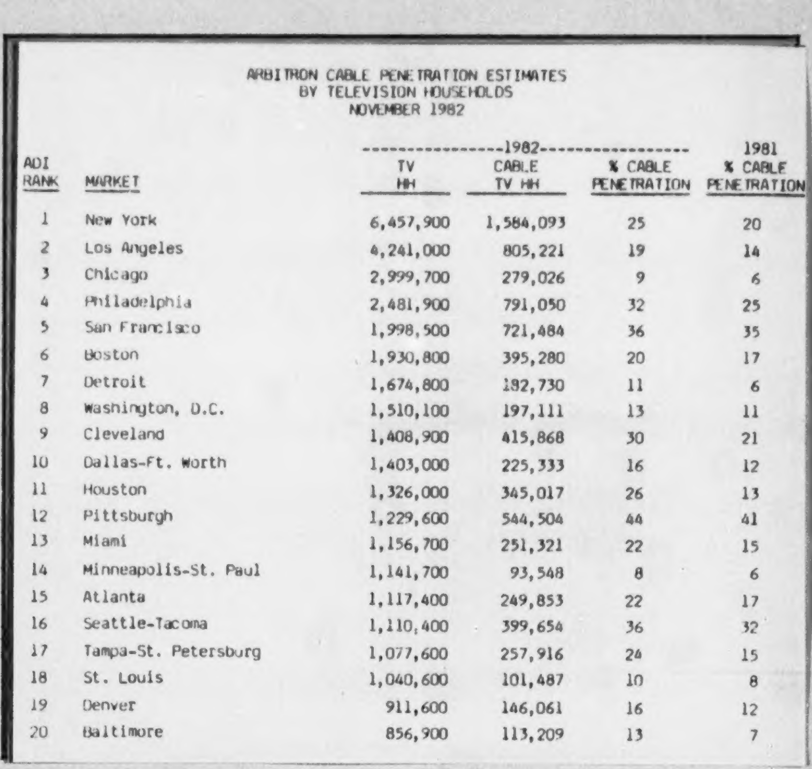
"To the extent that cable does enter the local advertising marketplace, its effects are felt more strongly in radio and newspaper sales than in broadcast television."

## New study of what makes Sammy run

What is the casual jogger a good market for? That's the question that will be answered by a study of the

Continued on page 160

# THE NEW ELECTRONICS



ARBITRON CABLE PENETRATION ESTIMATES
BY TELEVISION HOUSEHOLDS
NOVEMBER 1982

| ADI RANK | MARKET | 1982 TV HH | 1982 CABLE TV HH | 1982 % CABLE PENETRATION | 1981 % CABLE PENETRATION |
|---|---|---|---|---|---|
| 1 | New York | 6,457,900 | 1,584,093 | 25 | 20 |
| 2 | Los Angeles | 4,241,000 | 805,221 | 19 | 14 |
| 3 | Chicago | 2,999,700 | 279,026 | 9 | 6 |
| 4 | Philadelphia | 2,481,900 | 791,050 | 32 | 25 |
| 5 | San Francisco | 1,998,500 | 721,484 | 36 | 35 |
| 6 | Boston | 1,930,800 | 395,280 | 20 | 17 |
| 7 | Detroit | 1,674,800 | 182,730 | 11 | 6 |
| 8 | Washington, D.C. | 1,510,100 | 197,111 | 13 | 11 |
| 9 | Cleveland | 1,408,900 | 415,868 | 30 | 21 |
| 10 | Dallas-Ft. Worth | 1,403,000 | 225,333 | 16 | 12 |
| 11 | Houston | 1,326,000 | 345,017 | 26 | 13 |
| 12 | Pittsburgh | 1,229,600 | 544,504 | 44 | 41 |
| 13 | Miami | 1,156,700 | 251,321 | 22 | 15 |
| 14 | Minneapolis-St. Paul | 1,141,700 | 93,548 | 8 | 6 |
| 15 | Atlanta | 1,117,400 | 249,853 | 22 | 17 |
| 16 | Seattle-Tacoma | 1,110,400 | 399,654 | 36 | 32 |
| 17 | Tampa-St. Petersburg | 1,077,600 | 257,916 | 24 | 15 |
| 18 | St. Louis | 1,040,600 | 101,487 | 10 | 8 |
| 19 | Denver | 911,600 | 146,061 | 16 | 12 |
| 20 | Baltimore | 856,900 | 113,209 | 13 | 7 |

## Cable's loss is broadcast's gain

The under reporting of cable viewing and the over reporting of network affiliation viewing is the major finding of the Cable Television Advertising Bureau audience methodology study.

The study confirmed that the use of multiple channels in a 30 plus channel environment increases the difficulty of accurate measurement. Of the six methods tested (four diary and two telephone), the accuracy of each varied by dayparts, demographic groups and cable systems.

A massive, concurrent telephone coincidental survey was used to validate the results of test methods which employed average-quarter and half-hour measurement. Information from QUBE's interactive capability was also available as an additional partial validator. Two markets were used in the study.

The shares by program category for households, Monday-Friday, 9 a.m.-11 p.m. were: network affiliates — 53%; broadcast independents — 19%; basic cable — 16%; pay cable — 9%.

The conclusions disclosed by Bruce R. Hoban, vp/director of research, CAB, noted of the Nielsen Station Index standard diary, that total household viewing levels reported from the NSI diary were similar to the coincidentals for the total daypart, network affiliate viewing was overstated, both basic and pay cable viewing were understated. The degree of difference varied by daypart and system.

Personal viewing data from the NSI diary showed that persons using television (PUT) levels were under reported for total persons 12 plus, men 18 plus and teens. For women 18 plus, PUT levels more closely matched the coincidential. The NSI PUT levels for network affiliates and independent stations had the least difference of all methods in comparison to the coincidentals. However, their shares were overstated because of the lower total viewing levels caused by under reported viewing of cable channels.

**A different angle** was taken in a test conducted by the Arbitron Ratings Co., in which sets were electronically monitored in households, and diaries were kept for one week. A separate part of the test studies a special diary designed to highlight cable channels and a 24-hour telephone recall method.

The study resulted in four primary conclusions:

- The meter is the only current method of audience measurement that can keep pace with the proliferation of television channels in use and maintain a very high degree of accuracy.
- In the 36 channel system studies, the diary accurately reflected tuning 77% of the time. In homes with a more typical number of channels, Arbitron expects that the diary accuracy would be even higher.
- Special cable diaries seem to help but current information does not indicate much improvement. More testing will be done in this area by Arbitron.
- There is no evidence that telephone recall represents a viable methodology for measuring cable channels. Arbitron is considering dropping all use of this method for testing purposes.

The study shows, Arbitron reports, that as the number of viewing options increase in a cable system, the accuracy of the diary is negatively affected. Viewing levels were recorded more accurately in the diary for broadcast tv.

## BRAND REPORT 86:

# Gardening supplies

**1982 was a rare down year for an industry that relies much more on weather than on economic indicators. Ad budgets held up and will continue to rise in 1983. But marketers don't see better times ahead for power equipment purchases. They concede that some consumers may well decide to take that deferred vacation rather then reseed the lawn this summer. Basic media for the industry: direct mail, spot television, newspaper supplements and magazines. Direct mail is becoming an ever more important element in marketing strategy for seeds and bulbs, and even heavy gardening equipment, as major manufacturers are supporting local dealers with substantial mail drops as well as generous co-op allowances.**

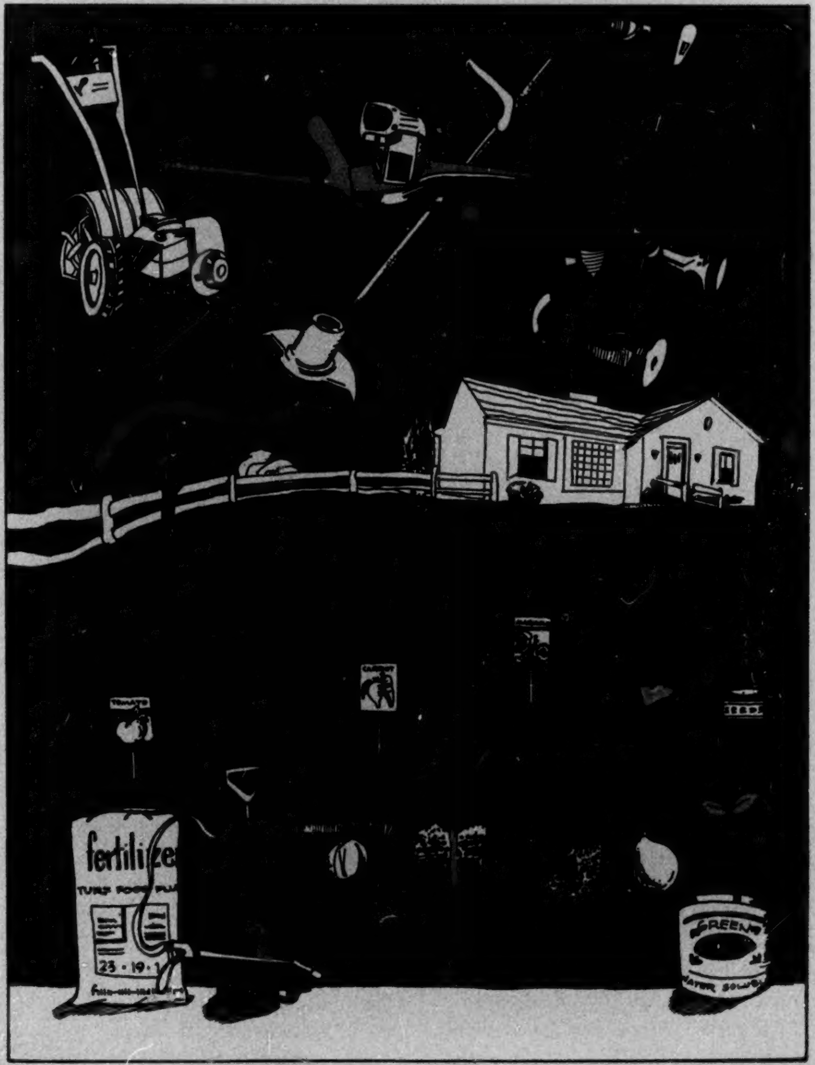
**N**o matter how Dow Jones goes, the grass still grows.

It is to that simple fact that the home garden and lawn maintenance business owes its nearly recession-free performance in 1982, and on which it pins its hopes for 1983.

The largest portion of the consumer market, in the lawn care, back yard gardening market lies in the $3 billion power equipment segment. This consists primarily of mowers, tractors and tillers. Bill Quin, publisher of *Outdoor Power Equipment*, Fort Worth, says: "1982 was a little better than we expected. 1983 we think will be down one or two percent."

The expected downturn in sales of mowers is posited more on government regulation than the economy or predicted droughts. Last year the Consumer Commission on Product Safety mandated improvements on power mowers that include the installation of a dead-man control. Industry observers indicate the installation of this device on new equipment will raise the price between $40 and $75 at retail. This is expected to have an adverse effect on retail sales.

However, the recession has affected the power equipment market much as it does the automotive segments. Service and parts sales are up as many owners decide to repair equipment on hand rather than obligate themselves



DIANE ZATZ

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### 1981 media expenditures for garden supplies

**Garden Machinery**

| Brand | Total | Magazines | Network tv | Spot tv | Net radio | Newspapers |
|---|---|---|---|---|---|---|
| John Deere | $2,582,300 | $185,900 | $2,292,900 | $ 76,600 | — | $ 26,900 |
| Snapper | 5,892,700 | — | — | 3,471,300 | — | 2,139,200 |
| Lawn Boy | 2,210,800 | — | — | 1,671,000 | — | 539,800 |
| Sears | 1,736,900 | 99,000 | 1,508,500 | — | $129,400 | — |
| Toro | 4,988,500 | — | — | 2,385,900 | — | 1,602,600 |

**Seeds & Bulbs**

| Brand | Total | Magazines | Supplements | Spot tv | Net radio | Newspapers |
|---|---|---|---|---|---|---|
| Lakeland Nurseries | 2,460,300 | 194,700 | 1,336,000 | — | — | 929,600 |
| Michigan Bulb | 5,797,700 | 126,700 | 3,620,700 | — | — | 2,068,300 |
| Zoysha Plugs | 2,272,100 | 74,600 | 1,459,000 | 5,000 | — | 733,500 |

**Fertilizers**

| Brand | Total | Magazines | Network tv | Spot tv | Net radio | Newspapers |
|---|---|---|---|---|---|---|
| Jobes Spikes | 2,636,800 | 253,500 | 1,440,600 | 289,600 | 586,700 | 66,400 |
| Scott's | 9,277,500 | 510,600 | — | 7,114,500 | — | 1,652,400 |
| Oxygen plant food | 1,476,100 | 71,300 | — | 1,404,800 | — | — |
| Miracle-gro | 1,577,900 | 11,900 | 1,515,000 | 51,000 | — | — |

with a major equipment purchase.

Claude Chmiel, editor of *Garden Supply Retailer*, says: "We're in a down economy, and there is the feeling that the industry is skating on thin ice."

While the marketers of gardening tools were holding their own, the seed and fertilizer side of the business was aggressively pressing for a better future. The National Association for Gardening, with considerable support from the Netherlands Flower and Bulb Institute, initiated a "fall is for planting" campaign to encourage a second growing and planting season, and with it, a second retail selling season where traditionally there has been only one.

The tight economy has been of some benefit to seed sellers, according to Bruce Butterfield, research director at the National Association for Gardening. Research carried out by the Gallup Organization finds that 38 million households planted back yard vegetable gardens in 1982 and the year before. Although inflation in food costs has abated, Butterfield claims the recession continues to motivate people to grow some of their own food.

The seed and fertilizer market represents about $1 billion at the retail level, according to Wendell Byrnes, editor of *Lawn and Garden Marketing*. It is a market more affected by weather conditions than the economy.

Sales last year in the seed area, particularly grass seed, he says, were up because of a late, wet spring, which was particularly good for grass growing. But the same weather put fertilizer sales down, because people are disinclined to spread fertilizer in wet weather — and in wet weather, the grass grows pretty well by itself.

This year is difficult to predict, he says, both in terms of weather, and other circumstances. With inflation and fuel prices down, he suspects people may be inclined to take vacations they deferred last year. But the state of the economy does tend to further encourage people to do some vegetable gardening in the back yard.

Media expenditures in 1981 and 1982, for power equipment, seeds and bulbs, and fertilizer, ran to about $100 million. Budgets in the equipment segment were trimmed last year, and expanded in the seeds and bulbs segment — predictable behavior in light of the state of the economy.

The major media for the garden, lawn and plant care business are spot television, magazines, newspapers and direct mail. The variableness of weather conditions dictate a flexible and regional marketing strategy. The measure of available arable land from area to area is, of course, also a factor.

## Power equipment

A flat year is in prospect for garden power equipment marketers, according to trade press observers. And advertising budgets will reflect that expectation, going up slightly from 1982, but not up as much as inflation.

Some marketers feel the business in 1983 will be mostly in replacement sales, as owners of power equipment have made-do with aging equipment in the past two years.

Bill Quinn, publisher of *Outdoor Power Equipment*, who tracks the size of the market, says in 1982, 654,000 riding mowers with under 10 horsepower were sold. He estimates this year's market at about 650,000 units.

The garden tractor market, Quinn says, ran to 146,000 units last year, and this year will probably drop to 140,000 units. Tiller sales last year were 497,000 and will rise to 500,000 this year, he predicts.

A positive factor influencing mower and tractor sales, Quinn believes, is the expansion of home construction. The 38% increase in 1982, Quinn believes, will have a positive effect on sales, as new home owners get into landscaping.

Media expenditures for garden power equipment declined last year. The LNA nine-month report shows the category down from the same period in 1982, at $28,192,100 as compared with $31,427,900 in the same period in 1981.

Major marketers in garden power equipment include Black & Decker, John Deere, Garden Weasel, Snapper, Troy-Bilt, Honda, Lawn Boy, Sears, Homelite and Toro.

Media strategy is seasonal, and largely regional, with spot tv getting the edge over network, and magazines and newspapers being used as supplemental and targeting media. Direct mail also plays a large role in power equipment marketing, accounting for as much as one third of some brands' advertising budgets.

## John Deere

The advertising planned by the Chicago office of NW Ayer makes the most of Deere's top of the line quality. But that quality image is balanced against a top of the line price. Most Deere mowers sell for over $1,000, and mowing tractors are in the $2,000 range.

The strategy for marketing Deere, according to Ayer account executive Rick Hauser, is to encourage potential mower buyers to consider Deere despite the high price. Longevity and durability are prime factors in Deere copy.

The Deere line is not mass marketed; it is sold only through select dealers, and Deere can't be included in the store name.

Consequently, Deere mowers aren't as easily purchased as the Sears garden implement line.

But despite limited distribution, Deere has chosen to put major emphasis on network television.

"We use tv to establish the Deere image in the minds of consumers," Hauser says. "And we use network instead of spot tv to get reach. It fits in with Deere's image as a major corporation."

In so far as mower advertising is seasonal, primarily in early spring, a small budget can go farther than the dollar outlay indicates. In 1981, LNA shows Deere spending about $2.3 million in network tv.

Magazines, Hauser says, are used "to go after the vertical markets and target more directly to our audience."

Deere also uses a substantial direct mail program, sent out under the imprint of individual dealers, detailing the "spring sale." Deere does the whole mailing for the dealers. It is dropped from one location.

Deere also uses a substantial co-op program in spot tv, spot radio and newspapers.

With direct mail constituting between one fourth and one third of the total budget, the total Deere budget in 1983 will run just over $4 million, ac-

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*readership surveys available from some individual publications

cording to *Decisions* calculations. The '83 budget is up slightly, Hauser says, but even with the increase it won't allow the company to do as much with media as it did in 1982.

## Lawn Boy

At Lawn Boy, a division of Outboard Marine Corporation, a television, print and radio strategy is aimed at a geographically defined market for power mowers.

Chuck Beam, manager, marketing communications, for Lawn Boy, explains that from his company's point of view, the mower market "is a very mature one, and is a replacement market. Awareness is extremely important."

In 1981, Lawn Boy relied most heavily on spot tv ($1.7 million) and newspapers ($549,800). Last year, network television was blended in. "The mower market doesn't follow population patterns," Beam explains, to explain a regional strategy.

# Go Where The Thumbs Grow Greenest!

Rural Georgia magazine delivers more Georgia gardeners (and at a better rate) than anybody. You get 195,000 "green" Georgia households every month. 91% of Rural Georgia readers own their homes . . . 58.3% own from ½ to 5 acres . . . 66.4% list gardening as their major outdoor activity! Looking for Georgia gardeners in "Southern Living?" That's fine. But don't stop there. Come to where the thumbs are greenest, with hardly a city slicker, and a startling CPM of only $9.31! Call today: 404/659-3430.

RURAL
GEORGIA
Georgia's Largest Circulation Magazine
Suite 845, 148 International Blvd., NE
Atlanta, GA 30043

"Brand awareness is very important, and that is why we elect to go with spot tv, to get that awareness. Newspapers are a very viable medium for the invitation to buy: they project an immediacy and urgency."

This year, Beam says, the media mix is being expanded to include consumer magazines, which will begin the seasonal blitz on the mower market. A four-color, four-page insert describing the new safety features and high tech production aspects of Lawn Boy broke in March in *Time*, followed by insertions in *Sports Illustrated*, and in April, in *Popular Science*, *Sunset* and *Southern Living*.

Just as the magazine campaign comes to its peak, network television will be added for the month of April. Spot tv also kicks in with a schedule in the most promising and productive markets, in April, May and June. Spot radio also is used on a limited basis beginning in April.

> "**Mower market doesn't follow population patterns**"

Beam says that radio is used in markets "where drivetime is viable, and on a very selective basis, where the work force, blue and white collar, relies on the auto to get to work."

"The national consumer introduction was preceded with an aggressive February trade campaign to establish a positive mindset for blade control (the safety feature) at the retail level. Our trade campaign utilized direct mail, a 16-page marketing supplement in *Garden Supply Retailer*, a five-page, full-color multi-pager in *Lawn and Garden Marketing*, and two-page spread ads in the February and March issues of *Outdoor Power Equipment*," Beam says.

## Toro

After being nearly wiped out by a lack of snow for several winters, Toro has hit the comeback trail, and is doing nicely now with its combination of mower and snow blower products.

With media expenditures second only to Snapper (Fuqua Industries), in the $5 million range, Toro uses a variety of co-op programs with its distributors and dealers to develop a strong presence in spot television and newspapers.

While spot tv gets two thirds of the available dollars, Toro is very strong on newspapers, which get the other third. Newspapers are used to reach the 25 to 54 age male audience on weekends, mostly with space in the sports section. But a Toro spokesperson says that the target audience definition is being expanded continually to put more emphasis on women as potential mower purchasers.

"Newspapers are a primary vehicle for us, and are very cost effective," the spokesperson says.

Spot tv, rather than being used to establish or build image, is very product oriented. It's use is tied in with inventory by area, and is used to diminish inventory build-up of product where they develop by area. Spot tv was described as "an active selling medium" Most of Toro's spot announcements run in early or late evening news.

Network tv was abandoned back in the late 1970's because of wastage, and the desire of Toro to take a market-by-market approach. But as Toro improves its position in the market, network tv becomes a probable contender for media dollars.

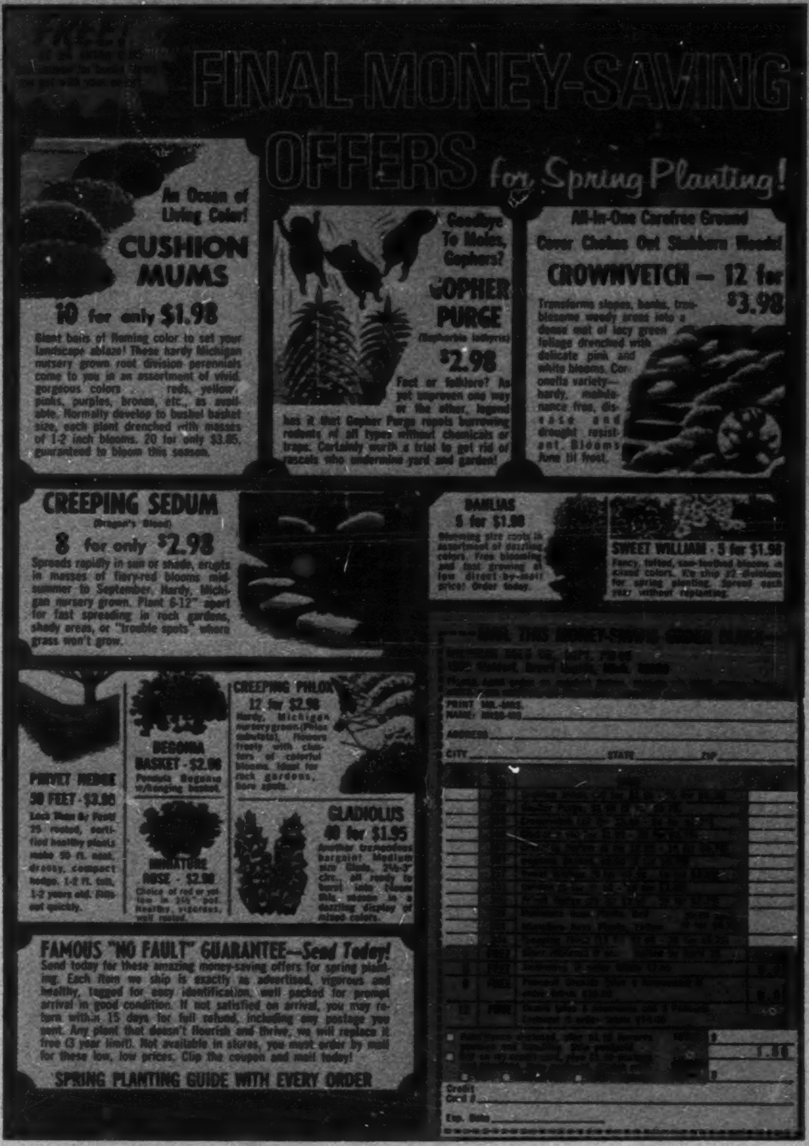
Toro has experimented with cable tv but, because of inadequate audience data, it takes a cautious view of the medium. Campbell-Mithun, Toro's agency, is currently researching cable for Toro.

Magazine usage is being limited to the trade publications that serve the industry.

## Seeds & bulbs

Unlike the power equipment market, the seed and bulb segment is much more a direct marketing proposition than it is a retail one. People do buy their seeds and bulbs in stores, but many more shop by mail order, using catalogs and magazines.

Consequently, advertising for seeds and bulbs is confined mostly to print. Occasionally, a scant expenditure will find its way into spot tv, but the name of the game here is space — newspapers, supplements, magazines and direct mail for numerous catalogs.



FINAL MONEY-SAVING OFFERS for Spring Planting!

An Ocean of Living Color! CUSHION MUMS 10 for only $1.98

Giant balls of flaming color to set your landscape ablaze! These hardy Michigan nursery grown root division perennials come to you in an assortment of vivid, gorgeous colors ... reds, yellow, pinks, purples, bronze, etc., as available. Normally develop to bushel basket size, each plant drenched with masses of 1-2 inch blooms. 20 for only $3.85, guaranteed to bloom this season.

Goodbye To Moles, Gophers? GOPHER PURGE (Euphorbia lathyris) $2.98

Fact or folklore? As yet unproven one way or the other, legend has it that Gopher Purge repels burrowing rodents of all types without chemicals or traps. Certainly worth a trial to get rid of rascals who undermine yard and garden!

All-In-One Carefree Ground Cover Chokes Out Stubborn Weeds! CROWNVETCH — 12 for $3.98

Transforms slopes, banks, troublesome weedy areas into a dense mat of lacy green foliage drenched with delicate pink and white blooms. Coronella variety—hardy, maintenance free, disease and drought resistant. Blooms June til frost.

CREEPING SEDUM (Dragon's Blood) 8 for only $2.98

Spreads rapidly in sun or shade, erupts in masses of fiery-red blooms midsummer to September. Hardy, Michigan nursery grown. Plant 6-12" apart for fast spreading in rock gardens, shady areas, or "trouble spots" where grass won't grow.

DAHLIAS 5 for $1.98

Blooming size roots in assortment of dazzling colors. Free blooming and fast growing at low direct-by-mail price! Order today.

SWEET WILLIAM · 5 for $1.98

Fancy, tufted, saw-toothed blooms in mixed colors. We ship #2 divisions for spring planting. Spread each year without replanting.

PRIVET HEDGE 50 FEET - $3.98

Less Than 8¢ Foot! 25 rooted, certified healthy plants make 50 ft. neat, dressy, compact hedge. 1-2 ft. tall, 1-2 years old. Fills out quickly.

BEGONIA BASKET - $2.98

Pendula Begonia w/hanging basket.

CREEPING PHLOX 12 for $2.98

Hardy, Michigan nursery grown (Phlox subulata). Flowers freely with clusters of colorful blooms. Ideal for rock gardens, bare spots.

MINIATURE ROSE - $2.98

Choice of red or yellow in 2¼" pot. Healthy, vigorous, well rooted.

GLADIOLUS 40 for $1.95

Another tremendous bargain! Medium size Glads, 2½-3" circ., all ready to burst into bloom this season in a dazzling display of mixed colors.

FAMOUS "NO FAULT" GUARANTEE—Send Today!

Send today for these amazing money-saving offers for spring planting. Each item we ship is exactly as advertised, vigorous and healthy, tagged for easy identification, well packed for prompt arrival in good condition. If not satisfied on arrival, you may return within 15 days for full refund, including any postage you spent. Any plant that doesn't flourish and thrive, we will replace it free (3 year limit). Not available in stores, you must order by mail for these low, low prices. Clip the coupon and mail today!

SPRING PLANTING GUIDE WITH EVERY ORDER

PRINT MR.-MRS. NAME MISS-MS. ____

ADDRESS ____

CITY ____ STATE ____ ZIP ____

Credit Card # ____

Exp. Date ____

A catalog style page is used by Michigan Bulb Company to encourage mail order. But Michigan spends more in direct mail than prints.

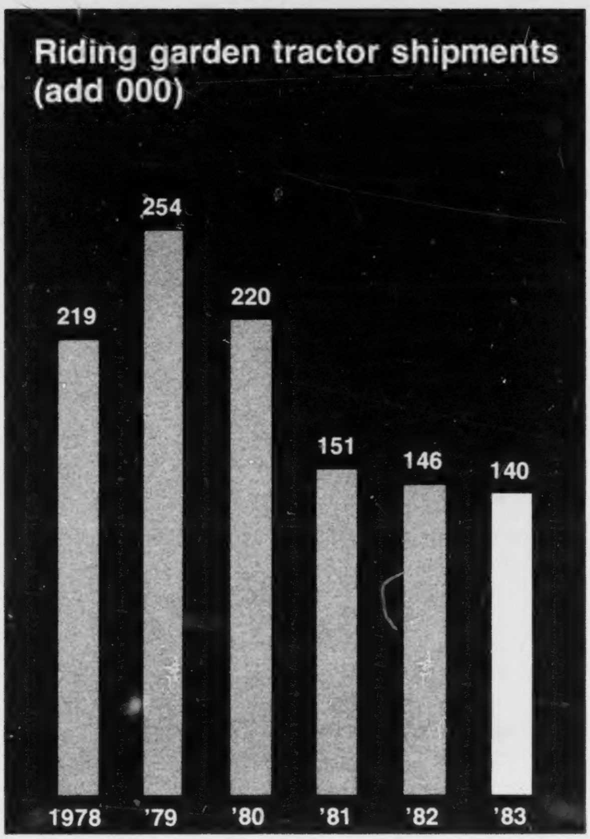
Measurable media expenditures are only the tip of the iceberg here. The $16 million measured by Leading National Advertisers is anywhere between a third and tenth of what is actually spent in advertising. Direct mail, many houses say, makes up as much as 90% of what is spent in the advertising of bulbs and seeds.

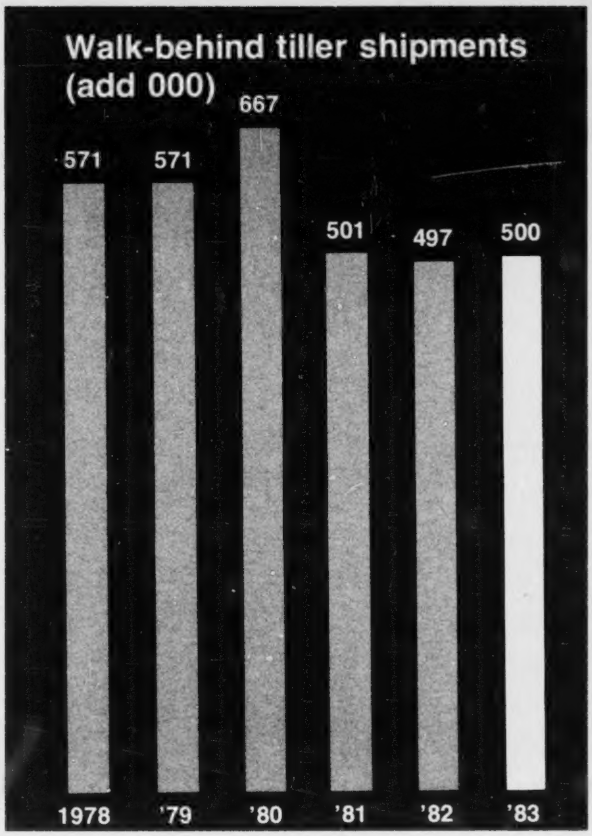
## Michigan Bulb Co.

The trend of the direct marketing business toward mail is strikingly evident in the history of Michigan Bulb Co. Although the heaviest space spender in the category according to measurements by PIB and Media Records, Michigan Bulb is shifting its marketing steadily away from print space to mail.

John Littleton, executive vp, says: "In the past 10 years we've noticed a marked shift in the weight of our promotion and advertising. Where previously it was in space, with support in spot tv, it is going more and more into mail."

The major reason for the move to mail has been the increased cost of print. "What has happened is that 10 years ago — where we were paying $10 to $14 per thousand for stuffers in newspaper — it is now about $45 per


Riding garden tractor shipments (add 000)


Walk-behind tiller shipments (add 000)

thousand. Back then we could support our print with spot tv in about 35 markets."

In addition to the cost factor, Littleton has found that direct mail pulls better than space ads. "When we test a new ad, we get pull that's 8 to 12% better. But we find that with test mailings we can increase the pull by as much as 22%." The reason, is the improved sophistication of list selection.

He also credits the freedom in copy possible with mail, and the use of a sweepstakes to gain attention. "The effect of a sweepstakes is all in the presentation," he says.

Between cost and effectiveness, Littleton says the emphasis is increasingly shifting over to mail. "If the trend in escalation of cost in print continues, we won't be as prominent in print as we have been."

An example of cost increase he cites is the *New York Times Sunday Garden Section*. "Ten years ago we used to run 20,000 lines a year in the *Times* garden section. Now its down to 1,000 lines a year because the cost over the decade has tripled.

Littleton said Michigan Bulb uses few magazines because the cpm for highly targeted magazines is too high, and the mass circulation magazines, even slanted toward gardening, have too much wastage.

Although Michigan Bulb spent close to $6 million in print in 1981, it is miniscule compared with its mailing schedule. Two major mailings of 10 million go out a year, plus four to five secondary mailings of 500,000 each.

Littleton doesn't reinforce Michigan's mailings with spot tv announcements because his penetration isn't high enough. He says a 25% penetration is needed in any area to justify the use of spot tv, and his mailings don't get much over 12%.

But despite his strong use of mail and concern over the increasing cost of print, Littleton says the company doesn't plan to abandon print. This year Michigan Blub continues to use *Parade* and local supplements. Currently, Michigan is running a three-page "spread" in supps, the inside and outside back cover as well as the facing page as its major spring thrust.

## Lakeland Nurseries

A part of the Hanover House operation, which is a subsidiary of Horn & Hardart, Lakeland Nurseries pursues a marketing and media program similar to that of Michigan Bulb Co.

With expenditures of $2,460,300 in measured media in 1981, Lakeland Nurseries runs second only to Michigan Bulb. And like the aforementioned, puts the bulk of its advertising dollars into direct mail.

Susan Somerville, media director at Lakeland, explains that 90% of expenditures go to direct mail. The emphasis in media is on national and local supplements." We generally run a seven by ten inch ad, she says, in newspapers and supps. The exception is the *TV Guide* size ad. Sometimes we'll group them and run two different products on a page."

In print, Ms. Somerville says, "our strategy is to test new products in media we know can sell for us. When we plan our media, we automatically schedule those vehicles that have made money for us in the past.

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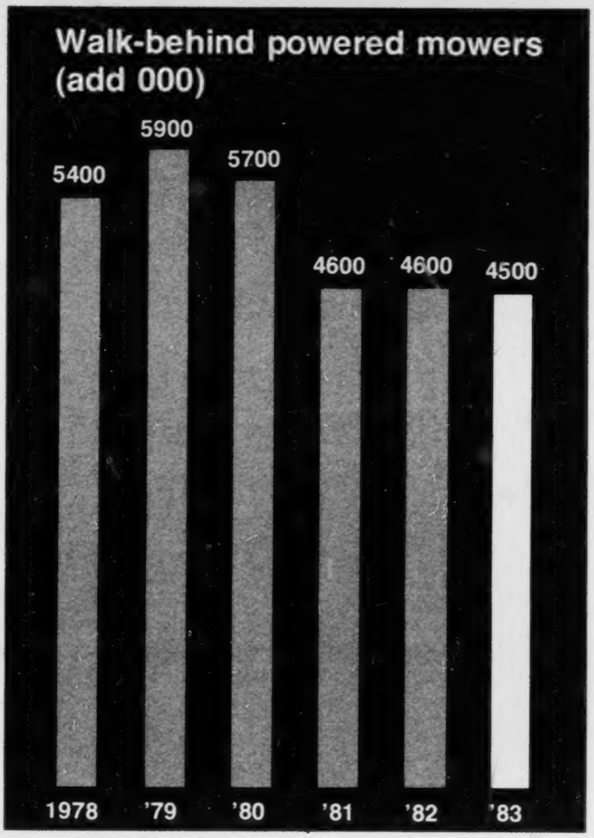

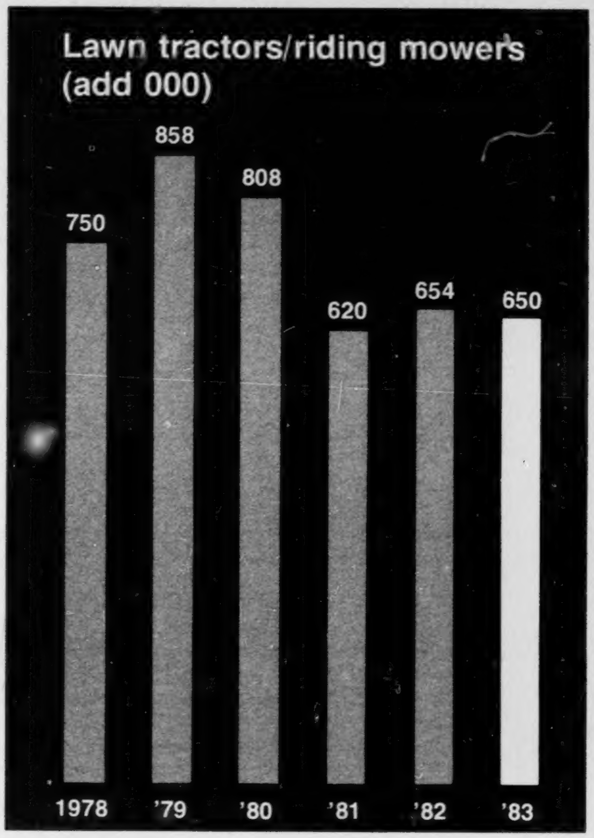

"When we try new magazines, we test with a good running product that is selling well in other magazines," she says.

As for positioning in magazines, like most magazine advertisers, she likes right hand page, front of book, if there hasn't been a cover purchase.

Mail order, she says, makes considerable use of catalog promotion.

### Fertilizers

On the industrial level, the chemical fertilizer business is huge. On the consumer level, for back yard gardens, lawns and house plants, it is a more modest proposition, but still accounts for close to $18 million in measured media.

Most of the media dollars in this segment go to spot television, close to two thirds of the total. The rest of it is spread among network tv, magazines, newspapers and network radio.

The most ubiquitious presence in the consumer field here is Scott's. With lawn products, fertilizer and weed killer, Scott covers most of the niches in this market. Scott's spent nearly $10 million of the $18 million total for the whole category in 1981.

Other major brands with million plus expenditures were Jobes, from International Spike Co., and Miracle-Gro, from Stern's Nurseries.

Last year was not a particularly good one for the fertilizer and plant food market. Dick Grandy, advertising director at International Spike Co., which markets Jobes Spikes, says: "Last year was the first time the economy affected us. Retailers were forced to cut back inventory, ordered less, and when they did, ordered smaller quantities more often."

But 1983 looks much better. Grandy said that inventory adjustments, catch-up ordering, has already taken place, and a normal year of inventory control and ordering appears in prospect. The only real worry for 1983, as it is any year in the gardening business, is the weather.

International Spike Co., with $2.6 million invested in media in 1981, proved to be the company with the most diverse media plan. Magazines, network tv, spot tv, newspapers and network radio were used. Network tv got the heaviest use, with network radio coming in second. Grandy says the use of network radio was a one-shot proposition for a particular product in a particular set of circumstances. "The result was good; we got a measurable response, and you know how rare that is in media planning."

However, the circumstances that justified the use of network radio haven't occurred again, so it wasn't in the 1982 plan, and Grandy isn't saying whether its in the 1983 plan.

By contrast, Scott's is a Johnny-one-note, placing 90% of its media budget in spot tv. But the $510,000 placed in magazines in 1981 was the largest amount budgeted among major advertisers in the category.

Miracle-Gro, from Stern's Nurseries, put its major emphasis on network tv. Spot tv came in for only $51, 000, and magazines got only $11, 900, while network tv was accounting for $1,515,000.

*Fred Gardner*

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# MEDIA COST INDEX

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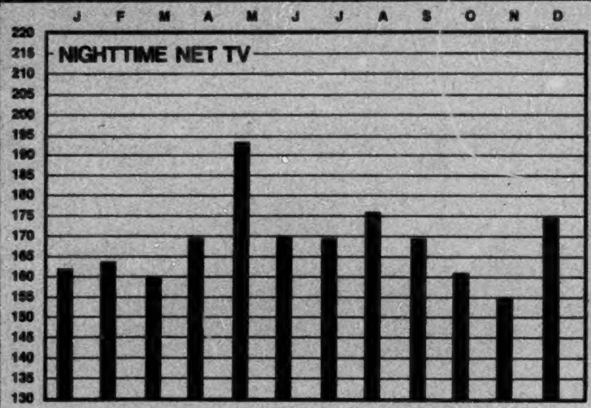
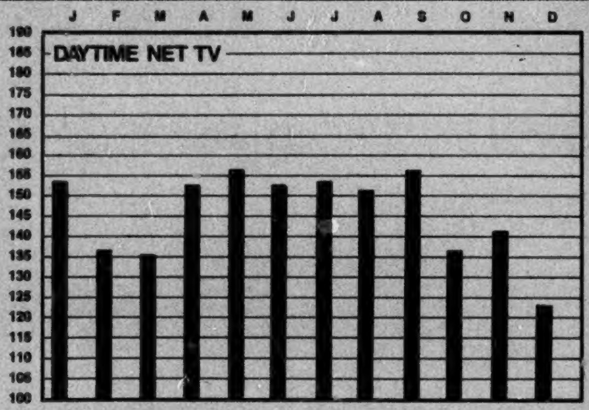
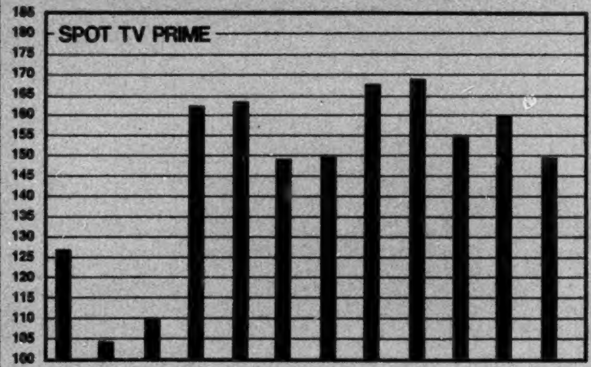
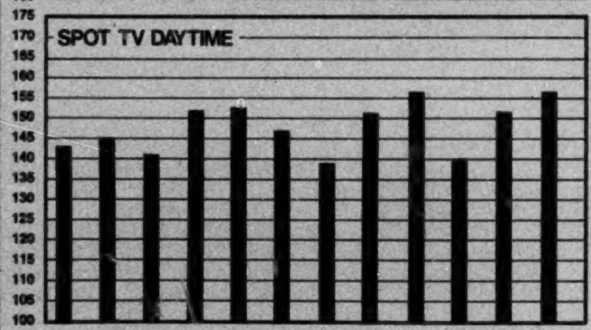
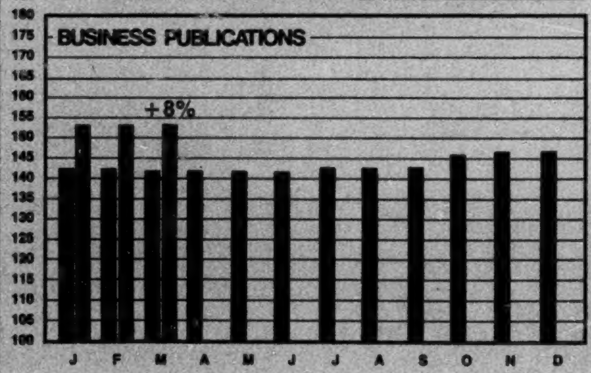










**The Cost Index moves to the 1983 calendar year** with this issue. In most cases comparative data for 1983 is not yet available. But cost data has come in for Supplements, Consumer magazines and Business publications.

As the year started, **Supplements** jumped on the chart from an index of 163 a year ago, to 180 as of January, a 10% increase over the previous 12 months. But since January prices have held the line and even slipped back a point.

The first quarter for **Consumer Magazines** showed some price activity as costs edged up six percent over the previous year, in both January and February.

**Business publications** started the year with an 8% jump and have held steady throughout the quarter.

**Spot tv daytime** ended the year with a dip in October, but returned to last summer levels as the year ended. December of 1982 showed a 10% gain over December 1981.

**Primetime spot tv** bottomed out in December but still came out five percent ahead of the same month the year before.

Trends for **Spot Radio** are being recalibrated for 1982, consequently 1982 activity is not being shown.

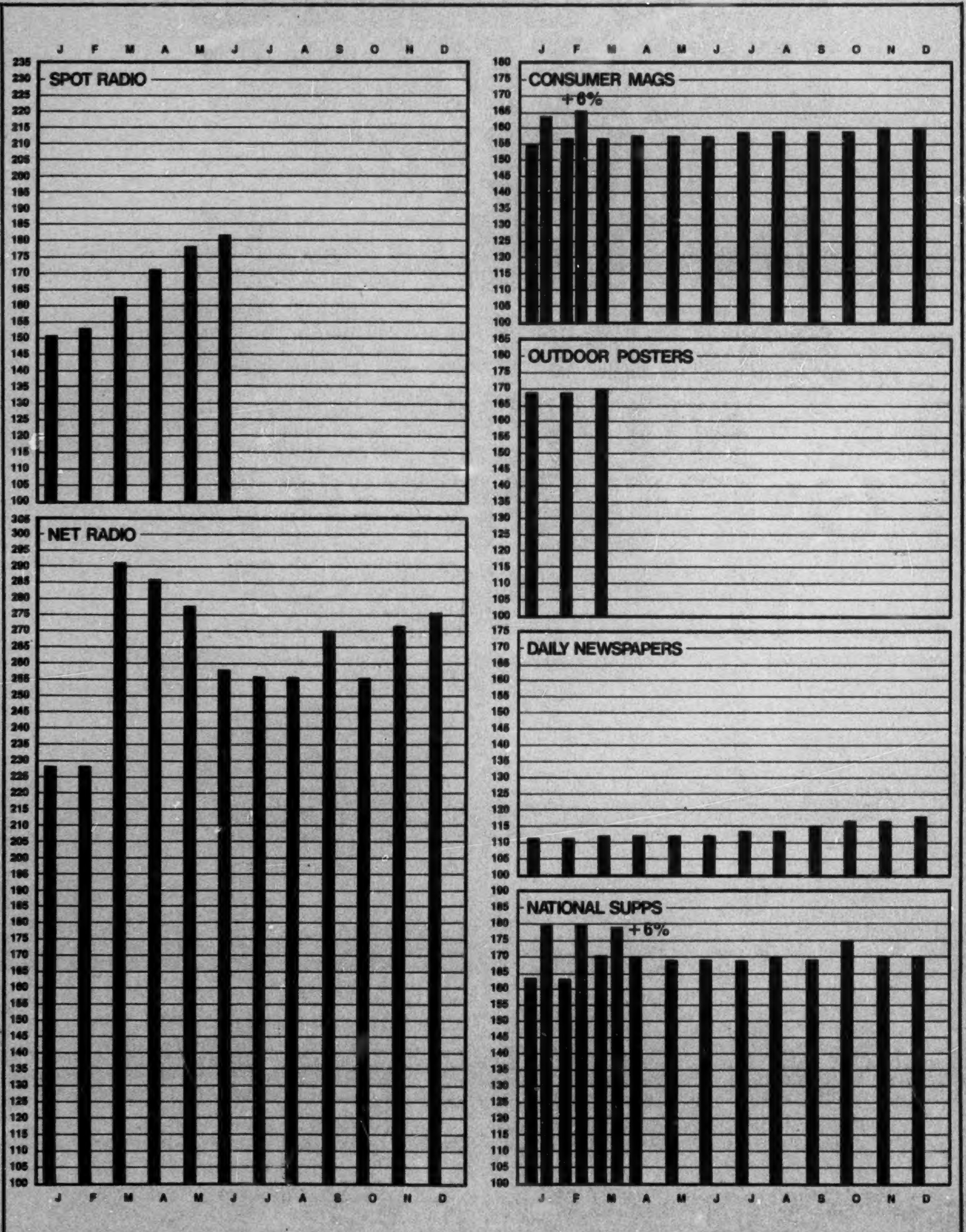
New figures are available for **Newspapers,** and the 1982 figures, showing slight upward activity.

Data for **Outdoor** is also being recalibrated.

**The Media Cost Index** reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday-Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio estimates** are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine estimate** based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications. **Outdoor Posters** based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

# MEDIA COST INDEX (continued)

Black bars index for 1982; red bars 1983; base year 1977



# MARKETING & MEDIA Decisions

MAY 1983 • $3.00

C2950-3 5/18/83

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Radio Shack
TELEPHONE CENTER

COIM 0155243 X S BR
JOSEPH MCNALLY
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800
BETHSEDA MD 20814 DIR

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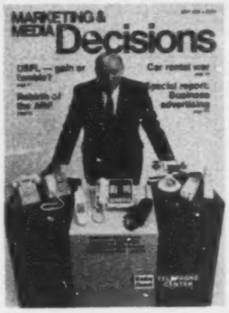

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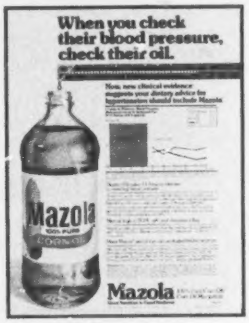

When you check their blood pressure, check their oil.

Mazola

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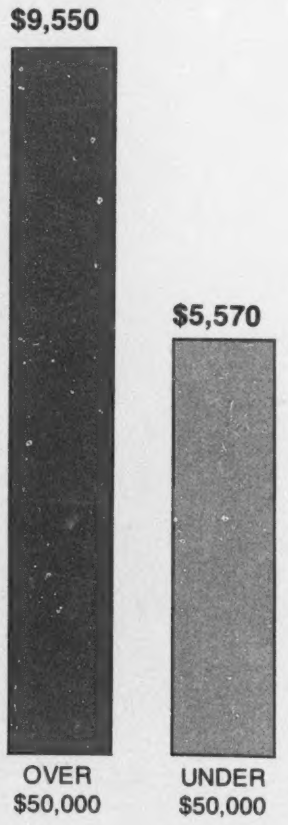
# Who's buying new cars?

**New research indicates that the 1983 car market is moving from mass to class. Still controversial in the automotive marketing community, the research suggests that a more sharply targeted approach is necessary as the $50,000+ income segment increases its purchasing share from a base that already stands at 18% of families.**

**Expected Purchase Price Of Next Vehicle**

(Median Purchase Price)



Once, not long ago, a Rolls Royce was a car many could dream about and only a few of us could own.

Today, many dream about owning a new car, and increasingly fewer people are in affluent enough circumstances to realistically consider buying any new car. The hard reality being faced by Detroit and importers alike, is that the market is shifting away from mass to class.

Increasingly, new car sales are coming from the $50,000 plus family income segment, while the bulk of the population is being priced out of the market and is as yet, hardly aware of that fact.

Research into the buying plans and price perception about new cars of the general public and the affluent was executed by the Los Angeles firm, J.D. Power, and commissioned by Knapp Publications. It shows nearly 20% of new car purchases coming from the $50,000 plus segment, and that percentage is likely to increase.

That is an important piece of news to automotive marketers. The advertising and marketing implications are just now beginning to sink in, as greater segmentation possibilities are being pondered by the automotive marketing community.

Although there is some dissenting opinion, generally the Powers research is confirming suspicions held by many in the automotive marketing community.

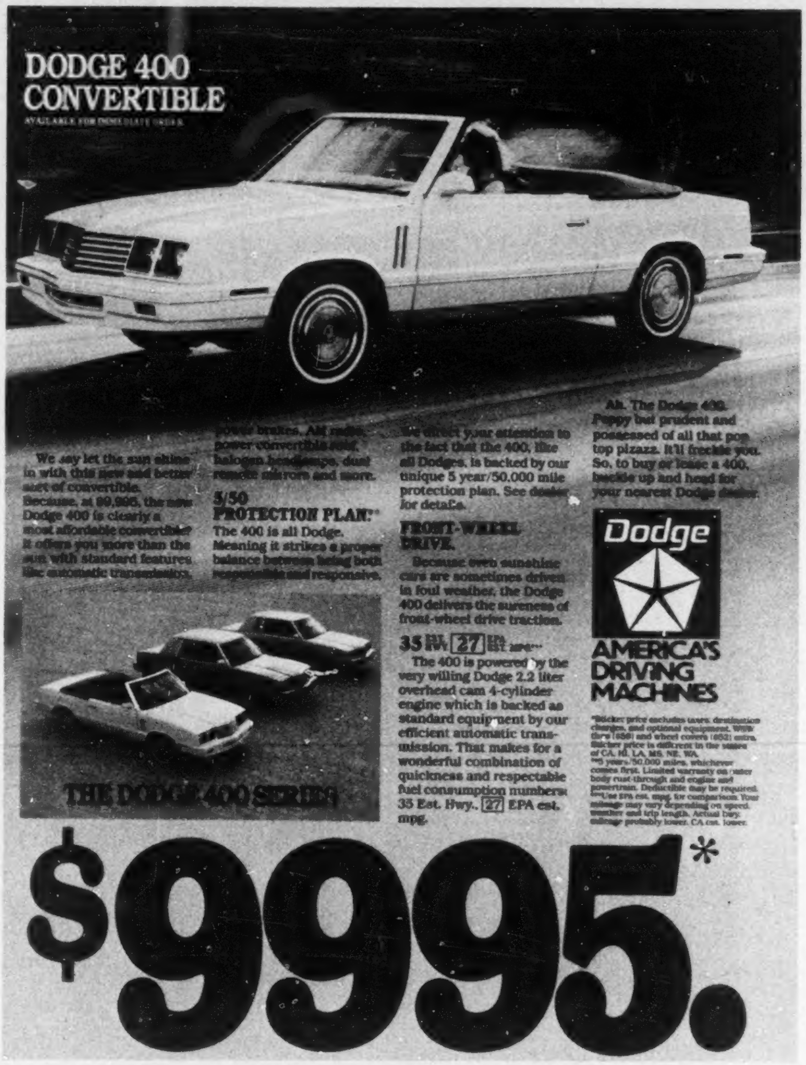
Tom Gorsica, manager of consumer research for Ford North America, questions the validity of the information and how it was gathered. "I just don't agree with Powers' conclusions," he said.

But agency executives on automotive accounts contacted by *Decisions* were favorably impressed with the Powers data. Bruce McRitchie, senior vp and general manager of the Grey Advertising Detroit office said, "I think the study is well done and I'm pleased when the media does something that is helpful to us rather than just throw another cocktail party." Others were equally positive in their evaluation of the Powers data.

The Powers research notes that "during the 1979-1981 period, the affluent market purchased vehicles at twice the rate of the under $50,000 segment. In 1981 and early 1982, this gap widened, with the affluent market buying at a rate of three times the under $50,000 segment.

"Based on purchase intent, the affluent segment will account for nearly 18% of the new vehicle purchases in the next 12 months, suggesting the increased importance of this segment in recessionary periods."

Another factor is length of car ownership. The Powers research



DODGE 400
CONVERTIBLE

AVAILABLE FOR IMMEDIATE ORDER.

We say let the sun shine in with this new and better sort of convertible. Because, at $9,995, the new Dodge 400 is clearly a most affordable convertible. It offers you more than the sun with standard features like automatic transmission, power brakes, AM radio, power convertible roof, halogen headlamps, dual remote mirrors and more.

**5/50 PROTECTION PLAN.****

The 400 is all Dodge. Meaning it strikes a proper balance between being both responsible and responsive. We direct your attention to the fact that the 400, like all Dodges, is backed by our unique 5 year/50,000 mile protection plan. See dealer for details.

**FRONT-WHEEL DRIVE.**

Because even sunshine cars are sometimes driven in foul weather, the Dodge 400 delivers the sureness of front-wheel drive traction.

**35 EST. HWY. [27] EPA EST. MPG*****

The 400 is powered by the very willing Dodge 2.2 liter overhead cam 4-cylinder engine which is backed as standard equipment by our efficient automatic transmission. That makes for a wonderful combination of quickness and respectable fuel consumption numbers: 35 Est. Hwy., [27] EPA est. mpg.

Ah. The Dodge 400. Peppy but prudent and possessed of all that pop top pizazz. It'll freckle you. So, to buy or lease a 400, buckle up and head for your nearest Dodge dealer.

Dodge

AMERICA'S DRIVING MACHINES

THE DODGE 400 SERIES

$9995.*

Many potential new car buyers, research shows, don't realize the price of an average car has climbed to $9,000. Dodge convertible is typical.

shows the over $50,000 segment plan to keep their cars 3.3 years, while the under $50,000 group plan to keep their present vehicles 4.2 years.

Were the affluent market to remain static, it might not merit much more than passing attention. But in the Powers assessment, the $50,000 plus segment now accounts for 11 million adults, about 5% of the population. The group has increased 50% since 1978, and is expected to double its present size by 1990. So even in 1983, five percent of the adult population is accounting for nearly 20% of new car purchases. By 1990, 10% of the population could be buying 40% of the new cars purchased in the U.S.

If these prognostications are correct, the thrust and direction of automotive marketing and advertising is about to undergo remarkable and fundamental changes in the remainder of this decade. Mass marketing would occupy a lesser place in overall strategy, and segmented, finely tuned approaches take on much more importance.

The Powers study suggests that "many manufacturers are already focusing new effort on the affluent segment. Yet for many, this market approach is a new concept. The value of affluent purchasing power, combined with their interest in new styling and technology, makes them the principal target of opportunity.

"The affluent have a history of buying cars for more than just transportation." This study confirms that this attitude hasn't changed.

"As a group, they are both powerful and highly visible and have the capability to lead rather than follow. The combination of facts in this research report suggests that the affluent market has become a priority of number one importance."

The key question, is what conclusions automotive marketers and advertisers draw from data in Powers study.

At Ford Motor Co., Tom Gorsica, just doesn't buy the validity of the Powers study. "I think that Powers exaggerates the picture. Our information shows the fall-out from new car purchasing cuts across all income groups. The up-scale purchasers have dropped out as evenly as the low income purchasers

"I just don't agree with Powers' conclusions. We draw our information from national probability samples. Powers gets their data from a mail panel. I don't think that's been demonstrated as the best way to do it. Also, Powers' conclusions are loaded with editorial opinion," Gorsica contends.

Consequently, Ford is not honing its strategy in marketing and media to specifically reach the affluent segment, on Powers' say so. But that doesn't mean that Ford doesn't target market.

"The company point of view is to target market as best it can," Gorsica says. "But I'm not aware of any slant to any particular segment based on that segment's buying rate, or any perceived shift in buying patterns."

A more positive view comes from Bruce McRitchie, senior vp, and general manager of Grey Advertising's Detroit office, which handles the American Motors account. "I think the study is well done, and I'm pleased when the media does something that is helpful to us, rather than just throw another cocktail party.

"The Powers study verifies trends that we've been seeing, and the sheer cost of new automobiles indicates that the market is going in that affluent direction. One of the side benefits for us is the comparison of how U.S., European and Japanese cars are viewed, because we handle the AMC/Renault business, and that gives us some confirmation of what we've been seeing there."

Continued on page 146

## NEW CAR RESEARCH

(from 65)

As for whether the study indicates a change in media selection, McRitchie said because of the skew of the economy, further identification of the target market is helpful.

McRitchie explains, "It certainly helps when you can pinpoint the people who are buying new automobiles."

At the agency for the Japanese import Subaru, the data from the Powers study is welcome, and seen as long overdue.

Terry Bonaccolta, vp, management supervisor at Levine, Huntley, Schmidt, Plapler & Beaver, said they had been thinking about increased targeting to affluents for the past three years.

Terry Bonaccolta says, "I think that document is long overdue. The affluent market has been around longer than we think.

"Three years ago, we said, hey, the affluents are out there.

"Of course, they're not the targets for Subaru as their number one car, but they are for their second or third car, as a car for a spouse, or for a teen-ager going off to college.

"We've put some of our budget against the affluent segment, with ads in *Fortune* and *Business Week*, and with tv spots in sports and in news adjacencies.

"The major thrust of our effort isn't going there, but we've been increasing the amount of attention we put there every year," she said.

The first signs of the rise of the affluent market, she said, began to show with the 1970 census. "That's where it all started to come into focus, and it appears to be even more so now. The Powers study and everything else we see seems to substantiate that."

Al Steiner, vp, management supervisor on the Volkswagen, Porsche/Audi business at Doyle Dane Bernbach in Detroit, also takes a favorable view of the Powers research, and to some extent is influencing the choice of audience for Audi and Porsche.

"It confirms our notion of up-scale demographics for Porsche and Audi, and confirms our use of up-scale books.

"It changed our demographic target slightly, and is good for Audi. We're evaluating the data now for Porsche," Steiner said.

The data from Powers is being brought to bear on the campaign for the launch of the Audi 5000 in June. Media for the introduction will be print and television, both targeted primarily up-scale. Television is being limited to spots on a premium tennis event.

But the magazine list will be different this year from its predecessor. "Some of the magazines we used last year won't be used this year, and conversely, we're using some this year that we didn't last year. We'll be in the newsweeklies, but not every one of them will get a schedule. Basically, we've pared back the list. We want frequency and continuity without dilution.

"The Powers data is another tool we can use in decision making."

*Fred Gardner*

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**TELEVISION**
**by BETSY FRANK**
associate media,
research director,
Dancer-Fitzgerald-Sample.

## How do the networks spell relief? M.I.N.I-S.E.R.I.E.S!

Was it really that long ago? Can it have been a Sunday night January, 1977 when 220 million of us sat down to watch the first episode of "Roots"?

Few will deny that the mini-series was born that night (Purists may argue that the actual moment of birth was a year earlier when ABC aired seven episodes of "Rich Man, Poor Man".) The excitement and rating delivery of "Roots" was such, however that "Roots" and "mini-series" became almost synonymous from that moment on.

From the beginning, the mini-series was strategy for one network to lure audiences away from the competition. In the simpler days of 1977, that competition was the other two networks.

In 1983, with numerous alternative technologies and programing sources cutting into viewership, the mini-series is now being hailed as a remedy for network audience erosion.

Is it?

Some questions need answering.

1) Does it always work? In the last six years, the mini-series has had its share of highs: "Shogun," "Holocaust," and of course, this season's "Winds of War" and "Thorn Birds" (See Table I.) But, let's not be too quick to forget "Sophisticated Gents," "Studs Lonigan," and "The French Atlantic Affair." (Table II)

Since "Roots," the format has waxed and waned as a part of network schedules. Now with the successes of "Winds of War" and "Thorn Birds," each of the networks is promising us four to six new mini-series next season. But will this be a repeat of 1978-79? Will quality fall as quantity rises? Can rating levels be maintained?

### *Mini-Series: The Highs . . .

| Title | Network | Date | # Hours | AA% | Share |
|---|---|---|---|---|---|
| Roots | ABC | Jan. 77 | 12 | 45.0 | 66 |
| Thorn Birds | ABC | Mar. 83 | 10 | 41.9 | 59 |
| Winds of War | ABC | Feb. 83 | 18 | 38.6 | 53 |
| Shogun | NBC | Sept. 80 | 12 | 32.6 | 51 |
| How West/Won | ABC | Feb. 77 | 6 | 32.5 | 50 |
| Holocaust | NBC | Apr. 78 | 9½ | 31.0 | 49 |
| Roots: Next Gen. | ABC | Feb. 79 | 14 | 30.2 | 45 |
| Pearl | ABC | Nov. 78 | 6 | 28.6 | 45 |

NTI

* A complete drama presented in at least 3 episodes.

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Which brings us to the next question:

2) What do mini-series really do to the network audience? HUTs go up, if a mini-series is special enough to attract non-viewers to the set. For example, the HUT level on Sunday, March 27 (Episode I of "Thorn Birds") was 10% higher than the two previous weeks.

Combined network ratings and shares go up. That same night, the network share was 91%, versus 77 and 81% the two weeks before.

The other two networks lose some audience. We assume that when the HUT goes up on a mini-series night, most of those non-viewers are watching the mini-series. But the rating increment for the mini-series (over regular programing) tends to be greater than the HUT increase. So it isn't just non-viewers who are boosting the rating; much of the viewing is being redistributed from the other networks.

3) What about the non-network viewers? (More to the point, what about those upscale viewers in pay cable homes?) According to Nielsen's NAD Report, both "Blue and the Grey" and "Winds of War" delivered virtually identical ratings in cable and non-cable homes. (The average

## . . . And The Lows

| Title | Network | Date | # Hours | AA% | Share |
|---|---|---|---|---|---|
| Sophisticated Gents | NBC | Sept. 81 | 4 | 11.1 | 19 |
| Man Called Intrepid | NBC | May 79 | 6 | 12.5 | 21 |
| Innocent/Damned | NBC | June 79 | 6 | 12.5 | 23 |
| French Atlantic Affair | ABC | Nov. 79 | 6 | 13.1 | 31 |
| Studs Lonigan | NBC | Mar. 79 | 6 | 13.9 | 23 |
| Women In White | NBC | Feb. 79 | 4 | 14.0 | 22 |
| King | NBC | Feb. 78 | 6 | 14.2 | 25 |
| Loose Change | NBC | Feb. 78 | 6 | 14.2 | 23 |

NTI

## Mini-Series History

| Season | # New Mini-Series | | | Total Hours | AA% | Share |
|---|---|---|---|---|---|---|
| | ABC | CBS | NBC | | | |
| 1975-76 | 1 | — | — | 12 | 27.7 | 44 |
| 1976-77 | 2 | — | 1 | 26 | 37.7 | 57 |
| 1977-78 | — | 1 | 8 | 59½ | 20.7 | 35 |
| 1978-79 | 3 | 4 | 8 | 125½ | 20.8 | 33 |
| 1979-80 | 2 | 1 | 3 | 33 | 18.8 | 31 |
| 1980-81 | 2 | — | 2 | 34 | 27.9 | 43 |
| 1981-82 | 1 | — | 3 | 24 | 16.2 | 28 |
| 1982-83 | 2 | 1 | — | 36 | 36.7 | 52 |

NTI

primetime program underdelivered 15% in cable versus non-cable homes.) This indicates that special programing can attract the viewer who has more options to choose from.

4) Is there a "carryover" effect from a mini-series? Some have argued that once a non-viewer or a non-network viewer has been enticed to tune in for a mini-series, he will stay with the network. (The heavy promotion the networks tend to do during mini-series would indicate that someone believes this.) But is this really what happens? The week following "Winds of War," network share plunged from 88% back down to 81%, and the Thursday after the last episode of "Blue and the Grey," shares dropped back below 80% and stayed there for the rest of the week. So to get back to our original question, are more mini-series really the answer to the networks' problems of erosion? (And the advertisers' problems of underdelivery?)

Yes, if quality remains high, and if they are perceived as special events.

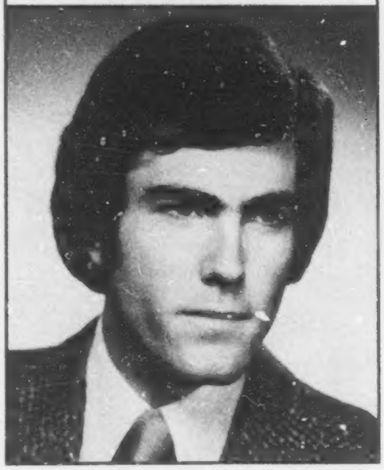
No, if the networks disrupt regular series, the bread and butter of their lineups, for less than spectacular spectaculars. NBC's recent problems may be traced back to concentration on specials and spectaculars at the expense of regular series development in the mid to late 70's.

Yes, if the mini-series can be used to develop longer-lasting programs. For example, "Rich Man, Poor Man" (the mini-series) spawned "Rich Man, Poor Man" (the series). Perhaps the ratings boost of a mini-series can lead to important, *new-yet-pre-sold* vehicles. The mini-series can become the wellspring of new series in the 80's, the way "All in the Family" and "Happy Days" gave birth to new shows in the 70's.

The networks must look upon a mini-series as more than a one-shot chance to boost ratings/revenues, and to promote less attractive upcoming programing.

There are no easy answers to the problems of audience erosion. The development of programing, limited or ongoing, which is perceived to be special or different, can help prevent further losses and perhaps lure new viewers to network television.

**RADIO**
**by STEVEN SASLOW**
account executive,
Gillespie Advertising - Princeton, NJ.



## Radio sponsorship effective image builder

Let's return to the Golden Age of Radio. Those magical days when programs were created for the "Theater of The Mind." Just like television of today, audiences tuned in to their favorite program but the "picture" was in their minds. These radio programs held consistently loyal listeners captive. For the advertisers the programs became identified with their product or company name as advertising was sold in the form of sponsorships. Nostalgia buffs will recall radio shows like "Johnson's Wax brings you Fibber, McGee and Molly," The Lux Radio Theater and "The Campbell Playhouse."

Sponsorship advertising like the above examples are all but gone today, with one exception. This highly identifiable type of advertising vehicle still exists through most of the radio networks or independent syndicators. It's called feature programing. They come in many forms; one minute daily vignettes, one hour weekly special programs, or weekend only specials. There is a variety of subject matter and music programing to choose from.

Now I am not suggesting that monies be diverted from committed network or spot radio buys, but consider a feature program sponsorship as an addition to your media schedule and as an image building vehicle.

First, select a program that you believe will reach a segment of your target audience. For example, audio products may be a good match for music shows, sports or leisure products for health and fitness vignettes, and "use" products for general interest programs. Next, investigate the show's popularity, the number of stations airing the program, time and day of broadcast, and any available ratings to determine what type of built-in audience you can expect every time the show airs. Finally, find out how well the program is promoted by the local stations and program supplier, all before determining the value of associating your client's name with the show.

These sponsorships can be a very effective form of image building advertising. One of the very best examples in the past ten years is the Earth News Radio Program, one of the most successful syndicated shows. For a number of years the names Earth News and its sponsor, Clairol Herbal Essence and Agree Shampoo were almost synonymous. This ninety-second show ran five days a week, once or twice a day with a tag line intro and outro, and, a sixty-second spot for Clairol. The program/sponsor name association took a few years to develop but, in my judgment, was a great investment for Bristol Myers.

Feature programing can also be an excellent avenue for promoting the sponsor's product. By working in conjunction with the local radio station and retailers in a given market, sponsor, station retailer and program will benefit. All that's needed is a little cooperation from the radio network or syndicator combined with your imagination.

There's a lot of room for creative media buying in today's economy. Take a look at these feature packages offered by syndicators and networks . . . or work to create one, custom tailored for your needs. Either way, it just may be the low cost competitive extra edge you need for your clients. With imagination radio is really red hot, not warmed over. Who among us who enjoyed the Golden Age of Radio can forget the product identification that went with Jack Armstrong, Little Orphan Annie, or Arthur Godfrey . . . "The Shadow Knows."

## BRAND REPORT 87:

Photo Researchers, Inc.

# Pet Foods

**There is a new economic realism in the way pet food companies market their brands. Ad dollars are off slightly coupled with a slow-down in introductions. Yet high growth areas continue, among them gourmet pet foods. Pet food marketers, who spend upwards of $190 million, are looking for ways to cut their television bills.**

The pet food market has turned gourmet.

Dogs and cats are barking, purring and wagging their tails about beefed-up flavors and casserole-type blends.

Their owners, hearts content, are paying premium prices to keep Fido and Tabby in tip-top shape and spirit.

But behind the scenes there's a shadow cast upon pet market land. Marketers are introducing gourmet brands because it is one of the few ways to spur growth in the overcrowded, highly segmented business.

Outside conditions, such as the slowly growing pet population, also haunt the market. There are some 49 million dogs and 42 million cats in the U.S., but their numbers are not multiplying rapidly.

Within the business, there is heightened competition from generics. They claim almost one-third of unit volume in dry dog food, their strongest category of the business, according to John Maxwell of Lehman Bros. Loeb Research. Generics account for 20% of dry dog food measured by dollar volume.

Products without names could grab more of the market. Although premium brands are selling well, brand

## LEADING ADVERTISED BRANDS

| | 1st 3 quarters | 1981 | 1980 |
|---|---|---|---|
| Cycle | $7,702,100 | $8,743,200 | $6,881,800 |
| Gaines | $8,711,400 | $11,067,200 | 18,140,200 |
| Cat Chow | $9,096,500 | $6,060,000 | 8,348,500 |
| Dog Chow | 6,847,200 | 5,942,500 | 2,869,400 |
| Mainstay | 3,028,200 | 11,237,000 | 349,800 |
| Thrive | 7,399,000 | 10,300,500 | — |
| Kal Kan (canned) | 7,785,400 | 8,567,000 | 7,857,900 |
| Kal Kan (dry) | 6,961,100 | — | — |
| Kibbles N'Bits | 5,572,900 | 7,251,900 | 18,100 |
| Tender Chunks | 2,177,700 | 4,430,700 | 14,071,100 |
| Milk Bone | 4,666,400 | 6,317,200 | 5,911,400 |
| Gravy Train | 6,752,100 | 11,570,500 | 3,678,200 |
| Top Choice | 111,100 | 11,570,500 | 3,678,200 |
| Chuck Wagon | 5,941,700 | 7,000,300 | 2,622,600 |
| Puppy Chow | 6,297,900 | 5,902,100 | 900 |
| Tender Vittles | 5,168,600 | 5,836.400 | 6,124,900 |
| Meow Mix | 6,125,700 | 6,054,100 | 4,654,200 |
| Come N Get It | 3,485,600 | 6,694,000 | 4,318,300 |
| Friskies | 3,422,700 | 2,898,600 | 2,051,000 |
| Chef's Blend | 3,561,300 | 4,670,700 | 4,420,900 |
| Mighty Dog | 3,813,900 | 4,761,500 | 3,540,900 |
| Alpo | 7,276,200 | 13,264,500 | 10,337 |

loyalty is low, according to a study by J. Walter Thompson. (Pet food, as compared with 23 other product categories, ranks slightly higher than furniture polish and lower than canned soup.)

But pet food marketers in recent years have become more astute and rational. Following a three-year period in which every marketing muscle was flexed to generate growth through product launches, hardship has become a good teacher.

The lesson pet food marketers have learned is invaluable: don't forget the old for the sake of something new.

That point hit none other than the leader in the business, St. Louis-based Ralston Purina. Ralston had been launching a new brand once every two months. In laying out ad dollars to successfully roll these brands nationally, Ralston figured that it could steal support funds from already established brands.

But sales for its popular brands, Dog Chow, Chuck Wagon and Puppy Chow, slid. And Ralston, which dominates the market with 29% of sales, lost almost one percent of its share.

It was only about one year before Ralston caught its breath long enough to think through the emerging situation. In quick form, Ralston ushered its proven brands into the advertising spotlight, and just as quickly, gained more than its lost market share.

An interesting, opposite lesson can be had in Kal Kan. The Los Angeles based company has pulled away to fourth place from ninth in market share in less than share 10 years by faithfully supporting long-term brand winners.

"We have always focused on our core brands and we have never introduced a product that the market doesn't need," says Ed Conn, vp-marketing and sales at Kal Kan.

While Kal Kan has promoted canned pet foods, most of the competitors have concentrated on building sales of dry pet foods, which are more convenient to use and cheaper than canned foods. Measured in dollars, dry pet food growth has been substantial, up by as much as 23% in 1981 in cat foods.

Since the Ralston experience, there have been fewer attempts to divide brands into tiny volume pieces through segmentation, and more efforts

"Take it from me, Mighty Dog makes hash out of other dog foods."
MIGHTY DOG
The pure beef brand.

Many brands promote a hearty taste treat.

industry-wide to build upon sales of basic brands within a company's group.

**LEADING PET FOOD COMPANY'S MEDIA EXPENDITURES**

| | 1981 | 1980 | 1st three quarter 1982 |
|---|---|---|---|
| Ralston Purina | $62,948.2 | $77,480.4 | $61,011.9 |
| General Foods | 36,213.5 | 31,578.2 | 14,626.9 |
| Carnation | 22,427.6 | 21,480.2 | 13,578.2 |
| Alpo (Grand Metropolitan) | 13,890.6 | 8,408.4 | 11,690.5 |
| Quaker | 11,692.5 | 14,781.0 | 7,755.9 |
| Mars (Kal Kan) | 14,751.8 | 11,654.3 | 18,905.1 |
| Heinz | 10,789.4 | 10,014.8 | 9,934.7 |
| Nabisco | 6,628.8 | 10,014.8 | 4,858.2 |

What new product action there is concentrates on better-tasting pet foods, especially prevalent in cat foods, and on size varieties.

Although pet food marketers continue to spend heavily to build up brand awareness and preference, there is a tighter purse string on ad dollars. Last year, the industry spent $5 million less than it did in 1970 and 1980 and the same as it did in 1981.

Not only are the strings drawn more tightly because the market is becoming saturated with new products but also because marketers are worried about the rising cost of television. They are beginning to seek out television alternatives, mainly magazines and newspaper supplements, but so far none have been willing to give up television's powerful draw.

"We are trying very hard to keep our budget increases down," says F. Lee Zingale, media director at Ralston Purina. "We put a limit on spending last year and we kept with it.

"We are looking into ways to control the cost. We are conducting some research into print buys. We are already big in print but we do not spend a large percentage of the budget in print," he says.

Zingale says that Ralston's media department is working with ABC to examine new ways of buying television more efficiently and cost effectively.

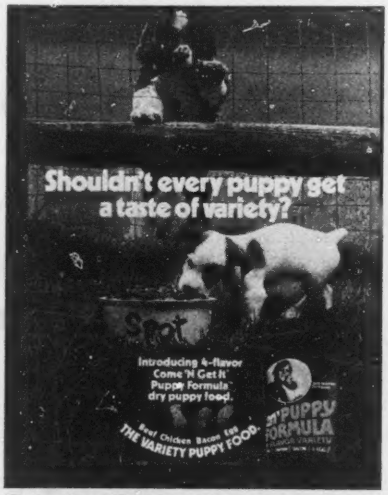
"We are looking at shows aimed at more selected targets and we are looking at qualitative versus quantitative ways to buy television," Zingale notes.

Ralston, which has advertised on cable for three years, is also "going for a larger buy" this year, according to Zingale.

In addition, Carnation has shifted funds from network to daytime because of the rising cost of television.

"We can buy daytime more efficiently because our target is the housewife who buys pet food," says Robert B. Funkhouser, vp-advertising at Carnation.

But the television buys are still wasteful, he says. "We are advertising pet foods as though they were a mass product but the number of households who own a cat is less than 25% and the number who own a dog is less than 50%," Funkhouser says. "It's like selling diapers. There are only a limited number of people who buy and you have to advertise year round."


Shouldn't every puppy get a taste of variety?
Spot
Introducing 4-flavor Come 'N Get It Puppy Formula dry puppy food.
Beef Chicken Bacon Egg
THE VARIETY PUPPY FOOD.
PUPPY FORMULA

**Pet advertisers get to consumers through the heart.**

A third advertiser, Alpo, also is troubled by the rising cost of television while viewership declines.

"With cable proliferation, it becomes more difficult to reach our target. We are examining tv alternatives every year," says Tyrone Allen, senior product manager for Alpo canned products.

"Tv is still the most efficient way to reach our target but this year we have decided to go into print with more frequency," Allen says, noting that the schedule includes six time insertions in *Tv Guide*, *Woman's Day* and *McCalls*.

"No single medium can zero in on pet food owners. We use print as a reach extender," he notes.

Although Kal Kan has explored superstations, cable and women's service magazines, this year it dropped one alternative women's book.

"Tv has major benefits that are hard to beat. The tv budget was up in 1982 and up again in 1983 - more than inflation," says Mike Nelson, marketing director for cat food.

Kal Kan's Ed Conn, vp-marketing and sales, adds that "while ad costs have gone up we have tried to spend more efficiently without sacrificing quality."

He says Kal Kan is targeting to the working woman, by shifting funds from daytime into prime and late fringe.

## Ralston Purina

Ralston has come to the rescue of its three most popular dog foods, Dog

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516 & 845 N. Michigan

**LOS ANGELES**
Crown Books; 7916 Sunset Blvd.
Crown Books; 1529 Wilshire Blvd. – Santa Monica
Rexall Sq. Drugs; 8490 Beverly Blvd.
Universal News; 1655 N. Las Plamas – Hollywood
World Book & News; 1652 No. Cahuenga – Hollywood
Boulevard News; 1404 S. Robertson
Sheltam Books; 6333 W. 3rd St.

**DETROIT**
Little Professor Book; 22174 Michigan Ave., Dearborn
Campbells Books, Bloomfield

**ALSO:**
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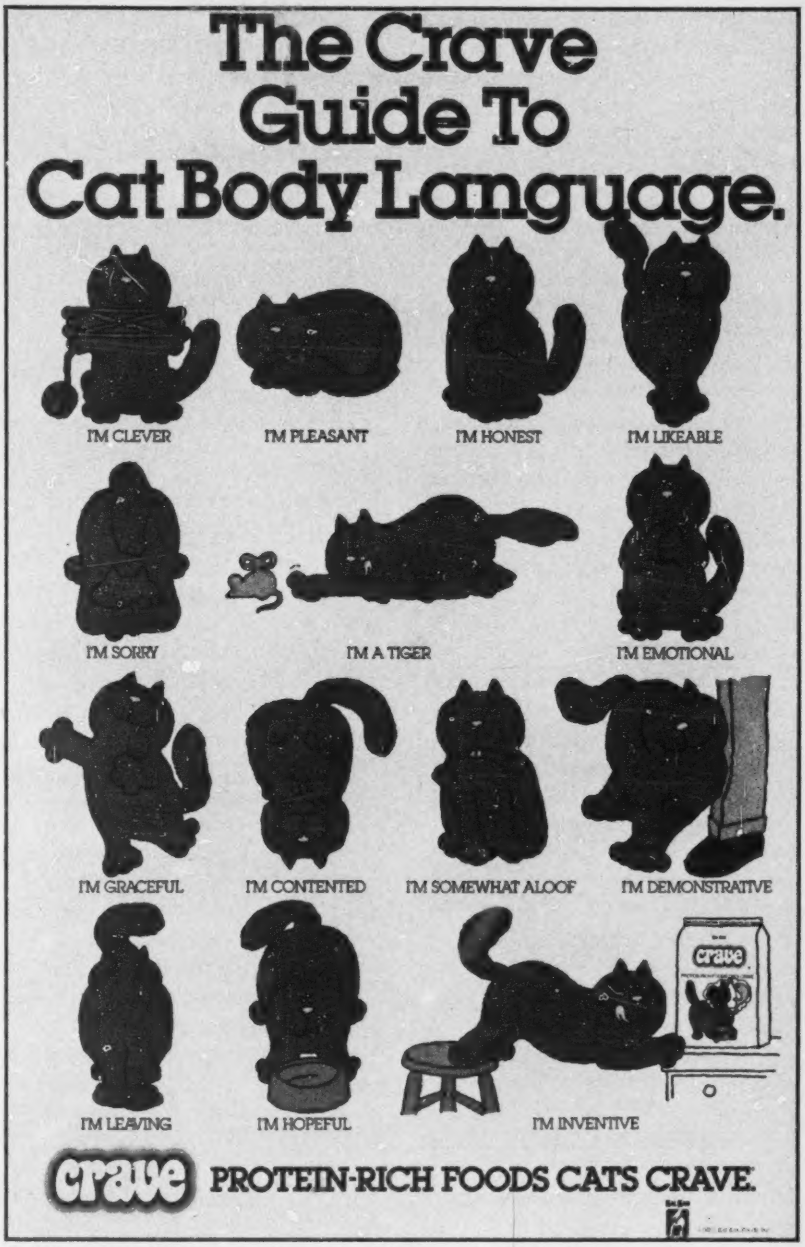
Harbor Place News; 301 So. Light St., Baltimore, MD.
Encore Books; 609 Chestnut, Philadelphia, PA.
Tobak Shop of St. Paul; 2140 Ford Pkwy., St. Paul, MN.
Universal Bookstore; 4326 University Way, Seattle, WA.
Taylor Newsstand; 522 S. Main, Tulsa, OK.
International Newsstand; 332 Water St., Vancouver, B.C.


The Crave Guide To Cat Body Language.
I'M CLEVER
I'M PLEASANT
I'M HONEST
I'M LIKEABLE
I'M SORRY
I'M A TIGER
I'M EMOTIONAL
I'M GRACEFUL
I'M CONTENTED
I'M SOMEWHAT ALOOF
I'M DEMONSTRATIVE
I'M LEAVING
I'M HOPEFUL
I'M INVENTIVE
crave
crave PROTEIN-RICH FOODS CATS CRAVE.

**Kal Kan reminds consumers just how cute their cats can be.**

Chow, Chuck Wagon and Puppy Chow, which suffered large sales decreases after their ad dollars were raided during 1979 and 1980.

To offset the cost of the rescue plan, the company has chopped ad dollars for Mainstay, a dry food launched in 1979 and has dropped ad support for Moist & Chunky, a 1978 counter to Quaker Oat's highly successful Tender Chunks.

Ralston's focus on established brands versus new products has proven the right tactic. After losing almost one percent of its market share, Ralston has recovered its lost ground and then some.

Ralston Purina's track record has been much improved of late in the cat food category. Ralston's strategy is to continue to propel this fast growth.

The company has increased ad budgets substantially for Meow Mix and Cat Chow, Ralston's best sellers.

In addition, Purina has spurred further growth in the category by launching Thrive, a dry cat food which provides "unsurpassed nutrition."

**PET FOOD MEDIA EXPENDITURES 1981**

| total | magazines | supps | net tv | spot tv | net radio | outdoor | newspapers | spot radio |
|---|---|---|---|---|---|---|---|---|
| $188,900.6 | $13,087,700 | $1,775,900 | $134,622,200 | $30,127,000 | $311.900 | $121,500 | $8,853,000 | $1,491,100 |

1st three quarters 1982

| total | magazines | supps | net tv | spot tv | | outdoor | newspapers | spot radio |
|---|---|---|---|---|---|---|---|---|
| $150,779,300 | $10,507,600 | $1,677.5 | $99,931,500 | $31,227,900 | | $118,200 | $6,811,400 | $623,400 |

## Carnation

Led by heavy sales of Come 'n Get It, rolled out in 1980 with a hefty ad budget, Carnation has been able to knock General Foods from its second place position.

Carnation supports the brand with a $6 million ad budget, and recently has introduced a puppy flavored addition to the product's four-flavor blend.

Mighty Dog, Carnation's canned dog food, is positioned directly against Kal Kan's better-selling canned entry. Mighty Dog's message is simple: "three out of four dogs prefer Mighty Dog to Kal Kan." Mighty Dog's ad budget is approximately $5 million. The media buys for the brand include one of the few uses of outdoor.

"We have tried outdoor in Southern California to see the impact it can have over a relatively short time," says Robert B. Funkhouser, vp-advertising. "Outdoor has worked well for us because the message is simple."

**Selling pet food is a bit like selling diapers, says Robert B. Funkhouser, vp-advt. Carnation.**

Carnation also has introduced a gourmet cat food, Fancy Feast to add to "significant position in dry cat food, one of the most rapidly growing categories," Funkhouser says.

Carnation's popular Friskies, however, has suffered large sales declines within the last two years. Mindful of the loss, Friskies ad support has been stepped up.

Two other cat foods, Chef's Blend and Fish Ahoy, on the market for up to four years, also are facing declining sales.

## General Foods

This large marketer's corner on pet foods unfortunately belongs to the moist dog food category, the only segment not growing.

Sales for Gaines and Top Choice General Foods' moist product, were flat during 1981. Top Choice, during the first three quarters 1982, was barely advertised. Ad support for Gaines, while still large at $8.7 million for 1982's first three quarters, has declined from a high of $18 million in 1980. The decrease is attributed to Gaines Complete, a market-sensitive, lower-priced brand.

But Gravy Train, which competes against several popular Ralston brands, has been on a sales escalator. It is aided by $11.5 million for the first three quarters 1982.

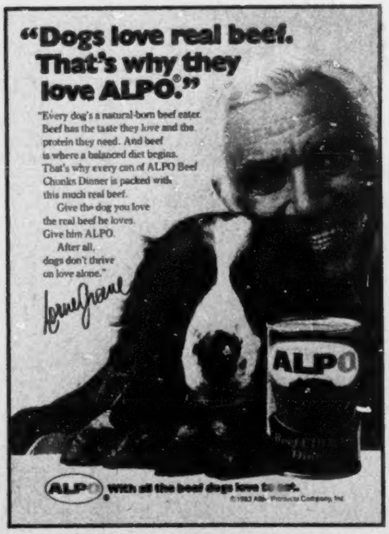
General Food's Cycle, a product which has attempted to segment the market by providing four formulations keyed to life stage diet needs, also is proving to be a winner.

Cycle saw rapid growth after its 1978 introduction, and continues to perform well with ample advertising support.

## Kal Kan

Led by increased sales for canned pet foods, Kal Kan has jumped to a coveted number four position in the market, surpassing Quaker Oats.

Kal Kan marks yet another mile-



"Dogs love real beef. That's why they love ALPO®."

"Every dog's a natural-born beef eater. Beef has the taste they love and the protein they need. And beef is where a balanced diet begins. That's why every can of ALPO Beef Chunks Dinner is packed with this much real beef.

Give the dog you love the real beef he loves. Give him ALPO.

After all, dogs don't thrive on love alone."

ALPO
ALPO. With all the beef dogs love to eat.
© 1983 Allen Products Company, Inc.

**Alpo sells beef contents.**

RECOMMENDED 6 TO 1 BY VETERINARIANS
Purina
Original Blend
Cat Chow
THE GOOD FOR YOUR CAT CAT FOOD.

**Purina's position is premium.**

stone this year, becoming the leading canned marketer in the business, according to Ed Conn, vp-marketing and sales.

Despite its success with cans, Kal Kan is not ignoring the dry category's larger sales. It is pouring increased support behind Mealtime, a dry dog food. This April, it rolled out nationally, Crave, a dry cat food that Conn says is "a long-term winner."

Kal Kan's canned cat food has become "one of the fastest growing brands," says Mike Nelson, marketing director for canned products. "It has become number two in its category, replacing Friskies on a pound basis."

But Nelson says Kal Kan has not topped Friskies on a dollar basis because the brand is less expensive.

Kal Kan is not turning down the fire despite its recent successes. While many competitors cut advertising slightly last year, Kal Kan increased its budget to nearly $19 million for the first three quarters 1982, the highest increase of any pet food marketer.

## Quaker Oats

Tender Chunks and Kibbles n' Bits have paved Quaker's rapid growth in dry dog food, which went from nowhere to a 6% share of the market, according to the company.

Quaker claims, additionally, that Kibbles n' Bits which last year rolled out nationally, is the most successful new dry dog food ever introduced.

The brand is also notable for creative strategy developed by J. Walter Thompson, which has managed to repeat the brand name to the point of tedium during 30-second commercials which run primetime, day and fringe.

The shouting is about the product's features, the first dry product with dual components.

Although the brand's ad budget of approximately $7.2 million is small compared to many leading brands, Kibbles n' Bits commercials have ranked extremely high for memorability.

As Quaker has been putting the finishing touches on its recently launched brands, unit volume and ad support for the established Ken-L Ration line, which includes both moist and canned entries, have suffered.

The company says this decline is intentional.

## Alpo

Alpo has gained control of one of the most important subsegments in the business, canned dog food. Its leadership has been extremely strong, but Alpo's share of the market is slipping. General Food's Cycle has taken business away from Alpo as has Kal Kan.

Alpo has been able to build up its franchise, however, by promoting the brand's all beef contents.

Although canned dog foods sales have been growing only modestly, Tyrone Allen, says Alpo should continue to prosper because the brand is made from beef, "a dog's natural food," and because "our dog foods taste better."

## Heinz

Heinz' popular 9-Lives, shows solid growth in all three varieties, canned, dry and moist. Such gains have come despite only modest brand ad budget increases. 9-Lives maintains sales leadership in large volume canned cat food sales. 9-Lives dry faces stiff competition from Ralston's more popular brands, Cat Chow and Meow Mix.

Heinz strong position in cat foods shadows its two dog food brands, Jerky Treats and Meaty Bones, aimed at fast-growing sales snack dog foods. Meaty Bones is a new competitor in the category.

## Nabisco

Offering stiff competition to Heinz dog snacks are Nabisco's Milk Bones and Butcher's Bones, a 1982 national introduction.

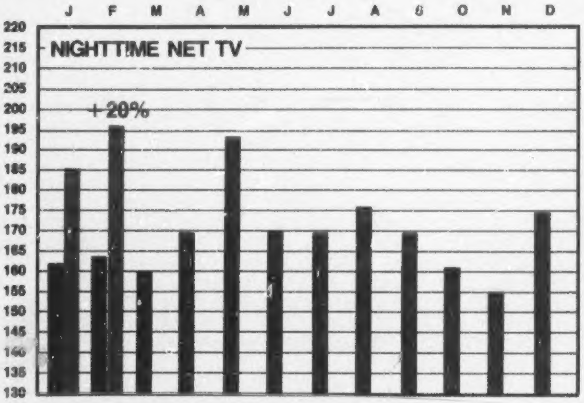
Butcher's Bones competes with Milk Bone as a dog biscuit with meat chips. Since its October 1982 national roll-out, Nabisco has spent $3.2 million to support the brand.

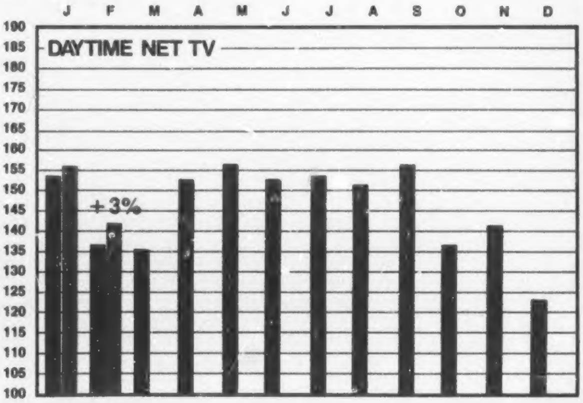
The new brand has not overshadowed the older brand, Milk Bones, which last year maintained a large budget of $5.6 million.

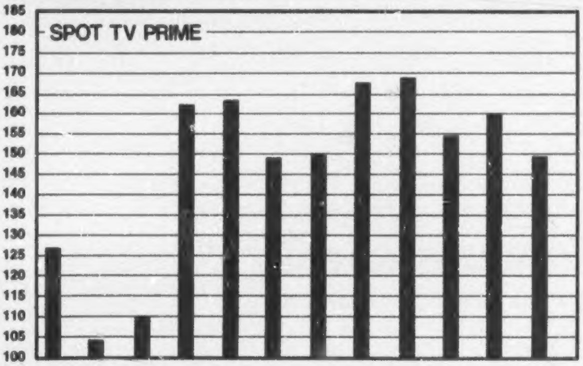
*Rebecca Fannin*

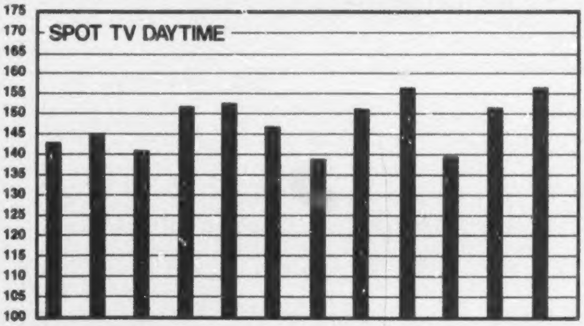
# MEDIA COST INDEX

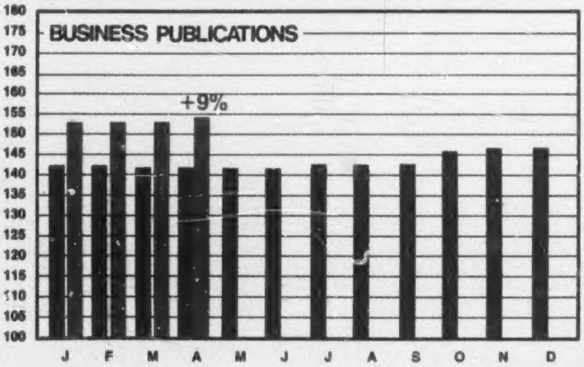
Black bars index for 1982; color bars 1983; base year 1977











**The Cost Index shows** comparative data for **nighttime network, daytime, net radio** and **daily newspapers,** however **spot prime, daytime,** and **radio** are still unavailable.

**Nighttime net** shows solid growth over the last two months, partly a reflection of high up-front prices realized last summer. Not reflected in the chart however, is the pervasive softness that has gripped **prime time** recently. The **net** scatter market overall during the last two months has priced substantially lower than what up-front boded last year.

Contrary to the story on the chart for nighttime gains, **daytime** hikes have been negligible. Median inflation over last-year-same-time is only a scant two per cent.

**Consumer magazines** and **newspapers** are relatively flat, registering no gain this quarter. **Business publications** show a slight increase. **Supps,** however, showed strong gain during the month of April.

The big story on this month's chart is **net radio.** Growth in January zoomed 33% over 1982 and February likewise revealed solubrious gains.

**Outdoor** registered eight percent price gains — reflecting overall inflation.

**Spot radio** trends are being recalibrated for 1982, therefore '83 activity is still unavailable.

**The Media Cost Index** reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday-Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio estimates** are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications. **Outdoor Posters** based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

# MEDIA COST INDEX (continued)

Black bars index for 1982; red bars 1983; base year 1977